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CHINA'S MOST VITAL CONTRADICTION

India's land problems are second only to those of China, and the Zeitgeist, primed as it is by widespread interest among all Asian peoples in the experiments in China, naturally predisposes all leftists and revolutionaries toward agricultural co-operation. No agriculture in Asia is so demonstrably efficient as that of the Japanese, but that does not seem to attract cohorts of potential disciples. Nobody can tell how the collectives will work out in China. So far they have added neither to the happiness nor the income of the peasantry, however much they may have helped the State in its mass labour problems. The Indian Delegation, in their recommendations to the Government, frowned on many of the more unfortunate aspects of the co-operativization policy, but did not condemn it. They left that to one of the more outspoken and experienced of their members, the General Secretary of the All-India Co-operative Union, Mr. B. J. Patel.

It might have been supposed that if there was much to be said for taking a few leaves out of China's agricultural co-operation book, he was the man to do so. Yet he was the most forthright and hostile critic of all. He affirmed that the policy of land collectivisation had "turned the entire China peasantry into a counter-revolutionary mass." Production would have been greater without it. And in his view such increase of production as there has been was due, not to collectivisation, but to the end of large-scale civil war, the habitual capacity of the Chinese peasant for very hard work, the extension of improved methods, intensive compost manuring, and improvement of minor irrigation works. He omitted the major factor—the great development of wasteland, including huge areas of Heilungkiang. In many ways land policy has been happier in its results in Formosa than on the mainland, and happiest of all in Japan, where General MacArthur and his staff accomplished smoothly and efficiently a most remarkable and valuable series of reforms.

In China, the development of the national economy has brought into striking relief one vital contradiction: agriculture still lags far behind the requirements of the people's livelihood and behind the development of light industry. A four-point proposal is put forward in the Peking People's Daily to correct this: (1) Construction of water conservancy projects, mainly of medium and small size instead of the big projects which took up about 60 per cent of the investments in this sphere in the first five year plan. The big projects like the Huai River and Yellow River projects were essential. But the economic conditions call for quick results from small investments, while waterlogging is particularly serious and calls for immediate treatment. Water and soil conservation and the draining of waterlogged areas must be given priority together with flood prevention and irrigation. Mountain areas account for one-third of the total population and the area of arable land in the higher land amounts to nearly one-half the total area of arable land. Water and soil conservation therefore will not only benefit agricultural production but will also reduce flood damage in the plains.

The area of arable land hit by floods (mainly water-logging) during the last eight years amounted to 40 to 50 million mow in a year of good harvest; 60 to 70 million mow in an ordinary harvest year; and more than 150 million mow (30 m. acres) in a year of dearth. Of the affected land water-logged land amounted to 40 to 50 million mow each year, rising to 120 million mow and more during the bad year of 1956. Most of the affected areas were located in the densely populated and fertile provinces of Hopei, Honan, Shantung, north Kiangsu, and north Anhwei. Projects for draining waterlogged areas cost less and can get quicker results than projects for opening up virgin and idle land. Hence the priority accorded them.

(2) Natural fertiliser is also an important factor. Work is to be intensified to make green manure (silage) and increase stable manure. During the first five year plan 13 large chemical fertiliser plants are to be built and when completed they will be able to turn out more than one million tons of nitrogen fertiliser, 640,000 tons of sulphaphosphate and 360,000 tons of phosphate fertiliser a year. In addition to expediting the building of such plants so as to start operation early, large numbers of medium and small chemical fertiliser plants should be built in the next two or three years. These plants, continued the People's Daily, should be in the main designed by Chinese and provided with equipment made in China so that less investment will be made and quicker results obtained. More coal for the rural areas will be needed for such development. Scattered exploitation of small coalpits will save transport and facilitate supply of coal. The new State policy should increase local coal output to 5.8 million tons above 1956, which shows the tremendous potentiality of local coal production.

(3) Production of both grain and cotton must be increased. Pending massive enlargement of the area of arable land the enlargement must be stopped of sowing acreage for industrial raw materials. But clothing must be appropriately ensured. Preliminary statistics show the total cotton acreage in 1957 to be 87 million mow, 6.8 m. mow less than the 1956 figure of 93.8 m. mow. This decrease of cotton acreage will have a conspicuous effect on the output of cotton and the production of cotton yarn and cloth in the second half-year. Whether it is proper to continue to reduce the cotton acreage is a question worthy of study. From now on the country must develop the synthetic fibre industry and commence experimental construction in the next two years. The textile and paper-making industries must make special study of how to economise on materials, reduce the good materials used for paper-making and make use therefor of sugarcane dregs, etc.

(4) Enlargement of the area of arable land. To begin with the serious waste of land in capital construction must cease. It costs over 1,000 m. yuan to open up 10 m. mow of virgin and idle land which can produce about 2,000 m. catties a year. To occupy 10 m. mow of arable land for construction purposes means spending at least 1,000 m. yuan, and output from such arable land will far exceed the output from newly opened up virgin land. All arable land taken by construction concerns should be returned for cultivation by the peasants, and departments in charge of construction are urged to investigate anew the lands they have taken over for construction so as to return as much as possible for cultivation. New virgin and idle lands must also be opened up according to financial and material resources available, beginning with wasteland and alkaline land in areas with large populations, since there quicker results can be achieved, and then undertake land reclamation in remoter regions.

Life is very hard in such areas in the first few years as regards food, clothing, housing and transportation. So a good job must also be made of political-ideological work to maintain morale and discipline. "The further development of our agriculture is a big problem involving many things," says the editorial, which obviously expressed the viewpoint of the highest agricultural authorities. "The four points laid down are merely several big problems that are brought into striking relief at the moment. As 1958 is the year for the start of the second five year plan and the backward state of agriculture must be changed from now on, it is proposed that the departments and local authorities concerned should grasp time by the forelock, make over-all plans and put them into effect step by step."

State Council Regulations, passed at the meeting on August 9, reminded the country that Government had placed food grains, oil-bearing materials and cotton on the list of planned State purchase. Only after fulfilment of the targets are peasants permitted to sell the remaining grain, oil-bearing materials and cotton on the State food-grain market or other markets led by the State. A long list of commodities placed on the list of unified State purchases was also included in the directive, which pointed out that when the free market was permitted in the autumn of 1956 no provisions were made governing what kinds of farm products were allowed to flow into the free market, with the result that

THE CLASS NATURE OF STALINISM AND CHINA

The workers of Poland and Hungary have broken with Stalinism. Not in the manner of Krushchev or Mao Tsetung; nor even in that of Tito. They have not presented the conflict in terms of trends or fractions whose opinions may diverge, even seriously, in considering a tactical programme, but who are agreed as to their goals. The workers of Poland and Hungary speak the age-old language of class emnity, of the exploited class addressing its masters.

This is a sharp and clear class cleavage, for from Poznan to Budapest the proletarians have risen up in riot and insurrection against the Stalinist state. And to make everything perfectly clear, they seized men of the political police force and shot them; they fraternized with the army; they established workers' councils in factories, villages and towns: in other words, they reinvented Soviet democracy and used it against their class enemy. Not to mention freedom of the press, freedom of assembly, trade-union freedom —a riot of ideas, demands and programmes. It is as though we were watching the dress rehearsal, called at short notice by history, of a classical workers' revolution.

The masters, of course, understood the situation completely. The Russians counter-attacked with violence and the cold cruelty of a colonist who regards any threat to his interests as an intolerable humiliation. The Stalinist tanks halted their advance along the roads of Poland because the workers' attack came too quickly, while the general-staff was in the midst of making its plans, and the fear of losing everything led Krushchev and Mikoyan—despite their public outburst of rage—to the simple conclusion that it would be better, as matters stood, to use craft. But it is now clear that the Kremlin is seizing on every opportunity, every pretext, for a new turn of the screw. Gomulka is a living reproach to Kadar, and his policy, however cautious it may be, is regarded by the imperialists and colonialists in Moscow as a constant provocation. Stalin taught the Politbureau that revenge is a dish which should be eaten cold. Warsaw ought not to forget this.

The fact that the masters felt this threat to be an aggression against the system—their system, their power, their privileges—is nakedly revealed in all the statements they have made, in the stubborn acrimony with which they denounce the workers as counter-revolutionaries, in their brutal decision to decry Tito, at the risk of thrusting him back into the arms of the bourgeois West, because he had been so incredibly rash as to claim that the fault lay in the system and not in the events of a single man's life. The Chinese resolution of December 29, 1956—"Further considerations on the historic experiment of the dictatorship of the proletariat"—brings out sharply this class solidarity, which goes deeper than the interests of the moment, vital though they may be, a solidarity which is sufficiently fundamental to overrule internal disagreements and by which the ruling class is welded together throughout the empire. Nothing less than an insurrection can shed this dazzling light on the true structure of a society.

The breaking away of Yugoslavia never was able to do this, for between Moscow and Belgrade there is no class conflict but only a clash of interests that is engendered by Russian imperialism. It is of the same nature as the disputes which, since the 19th century, have set the western bourgeois states against each other. This is so true and so damaging to official attempts at camouflage that when Djilas wrote about it, Tito felt obliged to have him arrested and sentenced.

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Thus, the proletarians of Warsaw and Budapest have destroyed with their own hands the myth of the workers' state.

That myth, which represented Russia as the first example in history of a state in which the working class was the ruling class, enabled Stalin's police dictatorship, armed with all the powers of corruption and violence, to hold up for thirty years, and throughout the world, every attempt to give genuine expression, on the trade-union and political level as well as in the theoretical sphere, to the revolution which has been overturning our society for the last hundred and fifty years. The dominance of this myth has brought about the slow degeneration of the proletariats of France and Germany, which is all the more serious in that, between the two world wars, they occupied strategic positions of major importance in world social dynamics. It led the revolution in Spain to paralysis and defeat through international disruption. It helped enormously to confine the English, Scandinavian and American working classes within their national frontiers, isolating them from other European proletariats and thus, at least until the approach of the second post-war period, debarring them from any meaningful international activity. The result was an extraordinary decline in vigour of thought, which becomes striking and tragic by contrast with the hundred years prior to 1914, during which the working class was so rich in creative power, so inventive in every field of thought and action, so prodigal of free challenges and free organizations. So much so that one is tempted to declare that the first twenty years of the present century saw both the climax of the workers' movement and the beginning of its decline.

This retrogression of the workers' creative powers, the lack of any international community capable of spreading, beyond their own narrow fields, the original but pragmatic experiments made by the British and Scandinavians, of offering a world platform to the American proletariat (which at that time was entirely absorbed by the task of fighting unaided against the gangster system, with no opportunity to profit by the experience gained in Europe, and then by the necessity of improving or rediscovering by its own efforts everything it needed in confronting, with its newly acquired strength, the whole of American society), together with the failure of theorists to elucidate the myth of the workers

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many things on the list of planned State purchase found their way into the free market.

Therefore all farm products like food grains, oil-bearing materials and cotton are without exception now barred from the free market and are to be bought in their entirety by the State, according to plans. Even the remainder, after meeting the target, must be sold to the State purchasing stores. A wide list of goods was also banned from sale on the free market. Only commodities not belonging to the categories of planned purchase and unified purchase, like chicken, ducks, geese, fresh eggs, condiments, marine products from scattered producing areas, dried fruits and fresh fruits from non-concentration producing areas, medicinal herbs not belonging to the unified purchase category, are allowed to go to the free market.

state, paved the way along which Stalinist imperialism advanced to throttle national and social revolution in China—the keystone of Asia—while the national independence movements in Africa and the Middle East were left to meet, as best they could, what appeared to be a monolithic western hostility.

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The fact that the working class throughout the world was thus misled by its fanatical belief in the myth of the workers' state has done much to facilitate the establishment, through the long, slow years, of the state capitalist society, with its concentration-camp methods, which is now revealed, with no exaggeration, as the most completely reactionary social undertaking of our time.

Stalinist imperialism benefited to an extraordinary degree from this permanent confusion between the motives of the workers, who were animated solely by a desire for social emancipation, and the private interests of a ruling class whose cynicism and rapacity were enhanced by the fact that it had only just entered upon the privileges due to its rank.

The greatest service was perhaps rendered, however, during the crucial years in which the parasitic privileged class, though already strong enough to exert brutal authority over the workers from which it drew its entire subsistence, still needed them, their unconditional support, their lives, in order to destroy the rebellious peasant and reviving capitalists. Throughout those formative years—the most dangerous, since nothing had yet been completely grasped, entirely possessed—Stalin was able to rely on the unswerving devotion of his natural enemies, thanks to the double swindle of the workers' state and the world revolution. It was the most resolute, the most high-minded revolutionaries, those whose self-denial was most thorough-going, who, in the last resort, enabled the parasites to obtain the mastery, helped the bureaucratic caste to set itself up as a ruling class.

In this extraordinary state of things, the opposition was defeated even before repression began. In the eyes of all these upright men, ready as they were for the greatest sacrifices, soon to be sent to solitary confinement, to concentration camps, forced into suicide, murdered, shot, bureaucracy could heap crime upon crime, but it was still an integral part of the world proletariat; it had no social roots of its own; it doubtless had the appearance of a venomous growth, but it grew upon the workers' state; vacillating and blind, it nevertheless served, by barbarous methods and at the cost of exorbitant abuses, the basic conquests of the October revolution. It therefore had obviously to be defended, against itself, so to speak, in order to ensure the preservation of the regime. On such a platform, who could fail to be disarmed in the fight against the policeman in the proletarian mask?

During the period of the great trials, the western public was often astonished when the defendants, most of whom were men famous for their culture, their experience and the distinguished part they had played in world affairs, accused themselves of fantastic crimes, abased themselves in abject humility and, as though in the depths of degradation, praised their torturer. Others killed themselves. Others, again, chose to be executed, unnamed, in the cellars of the Lubianka prison. A generation of an exceptional kind, the generation which in October 1917 had shaken the world, suddenly found itself to be living in a universe worthy of Kafka. On all sides the counter-revolution was creeping in, consolidating itself; everything that gave meaning to life was degraded, and yet the enemy was completely elusive; even Thermidor could do nothing to identify him. Private property was still forbidden. The revolutionary party was still governing the state. Reaction, though its blows were struck so savagely, seemed to have no recognizable social body. It was made up of the multitude of familiar faces which had survived the battles of former days—an obsession and a nightmare. The inability to understand, the impossibility of pointing out and describing the enemy, led a generation of revolutionaries to intellectual despair, moral despair, and death.

A death all the more terrible since it was solitude, with no echo in the silence of the world. No new generation of revolutionaries arose anywhere. Those who, outside the frontiers of the Soviet Union, nevertheless refused to recognize the tyrant, found themselves in outer darkness, cut off from all life. With no press, no listeners, no resources, delivered over to the vindictiveness of the Stalinists and the murderous hatred of the bourgeois reactionaries, when the suspicious, hostile proletarian asked them the decisive question, they could only reply, "Reform the regime", "Reform the state", "Reform the Party"—for the tyrant himself was in the revolutionary camp.

And who could expect the workers to be convinced by the slogan "A new Party, a new International", launched by the leftist opposition after the collapse in Germany, when the Soviet State was still the workers' state—degenerate, perhaps, but the workers'—which had to be defended at all costs and, if only owing to the ratio of strength, allowed to dictate policy, the only real policy, the policy which was actually implemented? Despite an effort at analysis which in many respects was remarkable and, incidentally, quite unique during those desperate years, Trotsky's writings had no immediate effect. Trotsky did not succeed in changing the course into which the world proletariat was driven by Stalinism. He did more than anyone, perhaps, to expose the Stalin lie, but he was unable to elucidate the social characteristics of Stalinism. The trap remained unsprung, and Trotsky's chance of victory had gone by.

Surprising as it may seem—though it is easily understood when we remember the notorious weakness of the Social Democrats in the field of theoretical reflexion—international Social Democracy, weakened by its divisions, did its full share in upholding the myth of the "workers state". Its most violent attacks against communism were always levelled at the ways and means employed; they seldom concerned themselves with the aims, and, when they did, their diatribes were subdued and very confused. In other words, Social Democracy never made any class differentiation between Stalinism and socialism. So when intellectual circles, which had hitherto been hostile or indifferent, sapped by the crisis in the West (Nazism in Germany, in France the great upsurge of the workers in 1936, in Spain the civil war), began openly to criticize the regime, it was hardly surprising that they should regard Stalinism as the advance-guard of the proletariat, the Soviet Union as the workers' state, and the Kremlin's international policy as world revolution. Not one of these newly-emancipated scribes would have run the risk of treating Stalin like Hitler. Nevertheless, to remain intellectually at ease after having contrived this hotch-potch—at a time when the barbarity of Stalinism, revealed to the whole world by the spectacular trials, was assuming a terrifying aspect, when the revolutionary generation of 1917 was being systematically massacred—required much sophistry and a considerable impoverishment and corruption of political and social thought.

During the past thirty years the working class has been herded into a blind alley of history. In the field of production it has helped to promote, over a considerable stretch of the globe, a system of exploitation which has gone further in alienating the proletarian from society than capitalism ever managed to go.

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When the workers of Warsaw and Budapest caused a revolutionary crisis in Stalinist society, they wrote *finis* to a particularly sinister chapter in working-class history. They assembled the international conditions indispensable to any genuine proletarian action. They made creative thought possible once more.

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Insurrection establishes social truth. It does not comment upon or explain it. It raises truth to the level of a historical fact. It thus imposes it in sovereign fashion, which is the essential. By taking arms against the state, by their military occupation of ministries, factories, mines and means of transport, by shooting the most odious representatives of the Party and the police, the workers established the historical fact that they were socially divided from the state and from the machinery of production, that the real owners were the masters of the state and that the relationship between them and the workers was one of domination and exploitation. The Russians and their Hungarian allies, by mobilizing the army and the police against the workers, by recapturing the factories, mines and transport systems in open warfare, confirmed the true nature of class relationships in that society. The military solidarity between the vast majority of the nation and the rebel workers established as a historic fact the imperialistic nature of the Russian occupation. Finally, the basic demands made by the workers' councils (trade union independence, free elections, freedom of assembly and association, adjusting of wages and social protection) demonstrate the retrograde nature of the regime as compared with the situation of workers, not merely in the most advanced of capitalist countries—the United States of North America—but in the Western European countries and even in certain border states such as Israel, Tunisia, Burma and the Philippines.

The furious and worried masters can keep repeating till they are blue in the face that the workers are counter-revolutionaries; but for the first time in thirty years, the proletariat of every country realizes, beyond all doubt, that this is a brazen lie. The imposture, too, is established as, a historic fact.

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So there had to be an insurrection, in order for the unmistakable character of the Soviet State to be clearly revealed. The Budapest tanks tore the debate on the U.S.S.R. away from the closed circles of revolutionary opposition and of scholars and transformed it into one of the most burning arguments of our day.

What, then, were the obstacles which account for the inability of theoretical reflection to clarify this question, decisive though it was, at a time when weighty occurrences had for so long cast doubt on the proletarian nature of the fraudulently Soviet state?

It was certainly not for lack of discussion, for discussion began, at any rate in the ranks of the communist opposition, as soon as the workers suffered their great defeats, immediately after the civil war—when Miasnikov, moved rather by rebellious instinct than by the arguments of reason, hurled at the leaders of that day, like a challenge, the charge that they were usurpers and had formed a new ruling class, which he named social bureaucracy. Miasnikov, of course, was not a member of that power-aristocracy which, though damned already, still, in those far-off days, enjoyed the privilege of a certain hearing. But the same can be said of the exiled Rakovsky, who maintained, writing in April 1930 (which is very remarkable, when we remember both the date and how difficult it is for any actor in a tragedy to gain an over-all view of what is going on): "We are developing from a proletarian state with bureaucratic distortions—Lenin's description of the political form of our State—into a bureaucratic state with some surviving proletarian-communist features. Before our very eyes there has arisen—and continues to arise—a huge class of rulers, subdivided internally on an increasing scale, spreading by means of self-interested co-option and by direct and indirect appointment (bureaucratic promotion, sham elections). This new type of class takes its stand on a type of private ownership which is also new—the possession of the power of the State. Bureaucracy 'possesses the state as its private property', wrote Marx in his critique of Hegel."

Singularly clear-sighted, is it not, even if events outstrip the text owing to the frenzied speed of enforced collectivization? And yet Rakovsky, after going so far, gives the strange impression that this is a side-line, a casual reflexion, one might say—a hypothesis which should not, indeed, be forgotten, but which has no immediate consequences. His conclusions are restricted to the banality of conflicting "trends," as though Stalinism were merely a matter of 'centrism," with its well-known damaging results. He is a cautious man, and it is very risky to carry the revision of all details to such lengths, especially as the indispensable materials are lacking. The new masters are at pains to conceal everything which might make matters clearer, which might provide a better explanation; they are extremely far-sighted and vigilant about that. Rakovsky notes and complains of the fact: "Not until a quarrel broke out between the Party bureaucrats and those in the trade unions, did the readers of Trud discover that the unions have an income of 400 million roubles, of which 80 million go to pay their staff. How much of this money goes to pay the Party machine, the co-operatives, kolkhozes, sovkhozes, factories and government services, with all their ramifications? We have no definite information on this point—no approximate information, even." He is not, however, cautious enough to restrain himself from publicly announcing a hypothesis which in all probability must scandalize his friends and get him into still worse trouble with the authorities. So he must feel pretty sure of its truth. What then?

Discussion is hampered by innumerable difficulties, but discussion there is. The documents take an endless time on their secret way from one place of solitary confinement to another, from one group of deportees to another in the far North, but they get there. They have to be discussed amid the fumbling, suspicious, usually cruel supervision of police tricked out in proletarian guise; but discussed they are. The replies, in their turn, take months to arrive, but arrive they do. Why do these men, who are politicians to the core, draw no serious conclusion from such premises? Life itself is at stake here, not in any paltry, mean-spirited sense. They are not worried by the revolver of the Stalinist assassins. They have been on familiar terms with death for a long time. It is the deeper, the essential meaning of their lives which is being challenged. If the revolution has been betrayed to such a degree that it has given birth to a new oppression, if former fellow-fighters, once in power, have sunk back into the baseness of man's exploitation of man, how can one close one's eyes to the fact that it is the revolution itself, the years and years of struggle, faith and hope that have been challenged? How can one fail to understand that, for these men, who gave their all to the revolution, their youth, their generosity, their force, their intelligence, who cared nothing for their own lives in order to shape themselves for its destiny alone, it is now too late to reshape, to live their lives over again; how can one fail to understand that they are entering into a crueller, more horrible kind of death than any kind that can be imagined? How can one fail to sympathize with their hesitation before that threshold? Perhaps one can grasp what is involved in this unavowed tragedy on reading the reply—which may be trivial to us—that a deportee sent to his "dear Christian Georgievitch": "A man must choose: either the governing bureaucracy is a class, and that means that there is no longer a dictatorship of the proletariat; or else it is only a group, a caste, in which case, despite the domination of the bureaucracy, the state retains its proletarian character." Indeed, a man must choose, since ideas here are the very warp and woof of existence; a man must recognize whether or not he has lost his life. And, what is even more clear for all these men, is that their defeat is unequivocal and obvious. But what is this defeat? The defeat would matter little if it were only a passing thing; even if the catastrophe swept away their generation. Other cruel retreats have been followed by great victories. But, on the other hand, what if this defeat meant that an error regarding fundamentals had been committed at some time in the past, regarding the forces operating in the world, an error that jeopardized everything which was at stake: the very meaning ascribed to the universe? However, in the face of all security, of all prudence, they must evaluate the events. It would be unworthy of their past were they to fool themselves. Thus, they write: "The bureaucracy is the germ of a capitalist class that dominates the state and possesses, collectively, the means of production. In 1845, Marx wrote: 'This development of the productive forces is the absolutely indispensable premise (for socialism) because, if it were not, poverty becomes generalized. With poverty, the struggle for necessities will start all over, and, as a result, all the former evils will come to life again.' (Marx-Engels Archives, Volume I) 'The former evils' will necessarily come to life again in the form of the degeneration of the dictatorship of the proletariat into a petty-bourgeois dictatorship or a capitalistic order, or perhaps in the form of some original state capitalism, which would correspond more than the dictatorship of the petty-bourgeoisie or a normal form of capitalism, to the Soviet state's mission as a great power, in view of the fact that this reconstitution would occur in conditions of the imperialistic expansion of the age of dying capitalism." These are lucid hypotheses, but they are only hypotheses. However, nothing has yet been decided: it must be believed absolutely. For if all the cards have been played (though there may be some secret ones, beyond the frontiers of the U.S.S.R., in that vast world where the inevitable revolution is ripening), there is no room left on the planet for these men. Where is one to find in the U.S.S.R. the strength for a new combat (and what combat?) even if the will to undertake it does exist? And how is it possible to carry the analysis forward when all action has become impossible?

It lay with the new ruling class that established itself in the upheaval of forced collectivization, one of the fiercest civil wars in history, to demonstrate that the past was irrevocably past. Stalin, in his brutal and clear-cut fashion, put an end to the discussion in the U.S.S.R. by liquidating the men who favoured it. The silence of the concentration camps closed over the revolutionary generation.

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How could the disappearance of so many men of wide culture, men of sharp intelligence, rich in an exceptional kind of social experience acquired in actual practice, in the carrying out of a political action involving such major events as the revolution of 1905, the First World War, the revolutions of February and October, 1917, the Civil War and the NEP, fail to result in an obvious impoverishment of intellectual life on the international level? This wholesale murder (Stalin would have called it grandiose) not only decapitated Russia but seriously affected the creative forces of the world proletariat.

Of all these men who were raised to such a height by history, only to be belied in their convictions and their will, who were hounded, rejected and then destroyed by a world they thought they had created and that they no longer understood, Trotsky was the only one who remained free to think and free to write, though not free to act. The freedoms of bourgeois democracy were not recognized as his right, but were granted as a grace that could always be withdrawn. Stalin kept watch, and, under his orders, a huge tentacular apparatus came into play, one which, as the new society established itself more and more firmly, as the new ruling class took root, became the effective instrument of an unprecedented class intervention in the world arena. Unable to impose his terror on capitalistic democracy, Stalin attempted by blackmail, corruption and murder to destroy the effects of bourgeois freedoms which were dangerous for him. He hounded to death the only survivor of the old days who continued working and creating, deprived though he was of the most ordinary freedom and security; his freedom to write, the thing that mattered most for a man like him, was always threatened, always challenged; he was surrounded by spies, pursued by hired killers who first struck out at his family and friends. What better proof is needed of the foresight of the new masters: that they knew perfectly well that truth must not be founded on the nature of their power; that the foundations of their power were too weak to bear this challenge; that they needed, in order to establish themselves in history once and for all, to mislead for a long time the working-class mind; that they had long since gone beyond, in the U.S.S.R., the age of the privileged parasite and constructed a hierarchy that ensured their domination, they continued to remain for a while longer tributaries of the world proletariat?

Despite his powerful genius, the tragic solitude in which Trotsky lived throughout the years of exile left a deep mark on his work. He no longer had partners, the only kind that meant anything, those who could fight with equal weapons. The white guards had years before anticipated Stalin's audacious enterprise of destruction by killing Rosa Luxembourg. Kautsky had been dismissed from the discussion. His audience had been destroyed by the violent polemics of Lenin, which were as one-sided as they were unjust. Furthermore, in the face of the new problems that had arisen, he lacked the intellectual vigour that had given him his great authority in the time of Bernstein. The survivors of Menchevism, blinded by old disputes, lived cut off in a world that had been left behind. The best of them had turned to scholarship. The outstanding representatives of the new revolutionary generation, who had been shaped in the fall of empires, in the general strikes, in the abortive insurrections, in the midst of the post-war splits and polemics, assumed, even when they were right, as if, at times despite themselves, the attitude of the apprentice who dares, yet without quite daring, to challenge the old leader who is invested with all the glamour of the revolution.

In those difficult years when it was necessary to tackle so many problems, all equally urgent and important; in which forecasts seemed, amidst an inexplicable confusion, confirmed and denied; in which the 1929 depression once again rocked capitalistic society to its foundations; in which fascism and naizism seemed to be the barbaric violence of a dying regime that was bent on surviving; in which the proletariat suffered defeat on defeat in Hamburg, Shanghai, Canton, Vienna, Berlin and Madrid; in which, nevertheless, at the same time there was a display of astonishing creative vigour in Paris and Barcelona; in which the Labour Party was preparing to modify the structure of British economy; in which the trade unions emerged as a power in America; it was in those years that Trotsky places at the very centre of his work the question of the social nature of the Soviet state, which he saw as the key-problem. And he raised this question only in polemics with representatives of other tendencies throughout the world, in criticizing the positions of Smirnov, Urbahns, Brandler, Souvarine and Laurat, but he regarded the question as the ultimate criterion of political differentiation in evaluating the historical nature of the present age. However, he never reached a satisfactory solution—I mean a solution that satisfied him too. And it was perhaps in this examination that the lack of partners was most sharply felt.

To be sure, Trotsky constantly rejected the class interpretation of the Stalinist bureaucracy, but the way in which he formulated his own thesis makes perfectly clear his reservations, hesitations, and lingering dissatisfaction, and shows that many questions remained open.

"The Soviet Union is a contradictory society halfway between capitalism and socialism, in which: (a) the production forces are still far from adequate to give the state property a socialist character; (b) the tendency toward primitive accumulation created by want breaks out through innumerable pores of the planned economy; (c) norms of distribution preserving a bourgeois character lie at the basis of a new differentiation of society; (d) the economic growth, while slowly bettering the situation of the toilers, promotes a swift formation of privileged strata; (e) exploiting the social antagonisms, a bureaucracy has converted itself into an uncontrolled caste alien to socialism; (f) the social revolution, betrayed by the ruling party, still exists in property relations and in the consciousness of the toiling masses; (g) a further development of the accumulating contradictions can as well lead to socialism as back to capitalism; (h) on the road to capitalism the counter-revolution would have to break the resistance of the workers; (i) on the road to socialism the workers would have to overthrow the bureaucracy. In the last analysis, the question will be decided by a struggle of living social forces, both on the national and the world arena."

Thus, time will decide. The decision lies in the hands of this old lord. It must not be thought that this was a secondary consideration for Trotsky. He comes back to it too often and too stubbornly for it not to be his true reply.

"The Soviet bureaucracy has expropriated the proletariat politically in order by methods of its own to defend the social conquests. But the very fact of its appropriation of political power in a country where the principal means of production are in the hands of the state, creates a new and hitherto unknown relation between the bureaucracy and the riches of the nation. The means of production belong to the state. But the state, so to speak, "belongs" to the bureaucracy. If these as yet wholly new relations should solidify, become the norm and be legalized, whether with or without resistance from the workers, they would, in the long run, lead to a complete liquidation of the social conquests of the proletarian revolution. But to speak of that now is at least premature. The proletariat has not yet said its last word."

It is perfectly clear that Trotsky's uncertainties and hesitations are revealed by not only the provisional but also the dubitative aspects of this reply. But he was also right in thinking that, in the last analysis, the nature of the Soviet State would be decided in the world arena by the class struggle. Regarding this point, I believe, though starting from considerations quite opposed to those of Trotsky as to the character of the society established since that period in the U.S.S.R., that until shortly before World War II the fate of the new ruling class depended, to a major extent, on the support of the misled world proletariat. For Trotsky, of course, it was quite a different matter. During this period, which he regarded as a passing phase, perhaps victorious at last somewhere in the anguished world, the working class would relegate the thermidorian nightmare of Moscow to the Kingdom of the Dead. His constant faith in the revolutionary power of a proletariat outside of which he saw no meaning in life is a sign of the man's greatness.

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Time has given its answer. World War II has made it possible, at the cost of another grandiose destruction of peasants and workers, for the state ruling class to set itself up on a world basis. It has introduced its mode of production into a considerable part of the world market, both in Europe and Asia.

I think it preferable to use the expression "state class" to designate the complex body of privileged individuals who represent and defend the economic and social interests of state capitalism rather than use the more commonly used, though more ambiguous one of "bureaucracy".

By reason of very particular historical conditions, state capitalism in Russia was founded on institutions and relationships of a concentrationary type. This was shown by the Yugoslav theoreticians—when they obtained a certain freedom of expression—who maintained that, given the hypothesis that countries having an advanced capitalistic structure, such as Great Britain, would achieve for themselves State capitalism, the edifice constructed in the U.S.S.R. would prove to be backward, behind the times and reactionary. These concentrationary relationships have become generalized and at present characterize all the national state capitalistic structures developed under the impetus of the Russian ruling class.

The extension on a world scale of this new type of production, inaugurated in Russia, has naturally entailed new class relationships. The attempt of this new privileged group, of these upstarts, to establish themselves, within their national framework, as a ruling class has come into conflict with the specific interests of the Russian state class. The crisis that has led to so many spectacular trials in the people's democracies, trials in which leaders of long standing who had hitherto been faithful to Stalin, basely humiliated themselves like their illustrious ancestors of Moscow —this crisis which has set up so many gallows, which has led to so long a persecution in leading circles and brought about the break with Yugoslavia is not, as was thought by certain observers who found it easier to understand bookish abstractions than live social realities, a wierd sarabande of sadists and masochists led by a mad tyrant. Nor is it, as confused dreamers would like to think, an opposition between "true communism" and Stalinist distortions. To the contrary—and once again the Yugoslavs were never mistaken about it—it was a direct result of the violent clash between the imperialist interests of the Russian state class and the economic demands of the new privileged castes. The distribution of national income between the colonial master and the ruling caste of the colonized country is not the only thing or most important issue at stake. The brutal intervention of Russian imperialism, often primitive in its methods and aims, is ruining the economic foundations of the new privileged castes, is disturbing, threatening and at times completely paralysing the social process of transformation of the parasitic bureaucracy into a national ruling class. Thus, and this is not the least of the contradictions of our age, the Russian state class is as a result of the extension of its own production relationships to the world theatre, causing the development of new class relationships that are immediately threatened by its imperial policy. In certain respects, we are witnessing a repetition, in a new historical sphere, of the violently contradictory relationship thus far maintained by the middle classes in advanced capitalistic countries, such as France and Great Britain, with the national bourgeosies, which are in a state of full development and growth, of such colonized countries as Tunisia, Morocco and India. This right to life and enjoyment that is being so firmly demanded by the new privileged group is the only valid meaning that can be attributed to the theory of "national communism" and "different paths to socialism". There are, of course, several reasons—which I shall merely indicate here—that help to give, as we noted again only recently, a bitterness and extraordinary savageness to this conflict. The historical basis of the State class is still very narrow. The Russian masters are unable to set aside from their own economy—without endangering their privileges—the means that would make possible a rapid growth, outside their frontiers, of the productive forces of state capitalism. To the contrary, they are exhausting, to their own profit, the resources of these vassalized countries, most of which are chiefly agricultural. Any resistance seems to them all the more hateful in that they readily confuse—and this is the only intelligible meaning that can be ascribed to the compulsory recognition, so insolently flaunted, of the "directing" role of Moscow—the success of their undertakings, the triumph of their interests, their lust for life, their vocation for universal empire, with the final establishment of state capitalism in the world. Resistance seems all the more dangerous in that the organization of state capitalism leaves intact national frontiers and the difficulties they entail; in that supra-national management then supposes the imperialist procedure of granting privileges in the interest of the dominant power in the hierarchy of the states. It is not surprising that such a policy entails in the subject countries such a colonial type of super exploitation that the wretched privileged colonials are reduced to the precarious condition of being direct and badly paid agents of Russian—and only Russian—interests, and that far from consolidating their positions as new lords, they see the entire nation rise up against them in hatred. This new society introduces into history relationships of superior to subordinate and a type of exploitation that are far worse than those in the advanced industrial countries today. State capitalism, the kind fashioned in Russia, appears, in the historical perspective of our times, as a reactionary solution to the contradictions of monopolistic capitalism.

The concentrationary type of exploitation relationships that alienate the worker to such an extreme degree and that underlie political absolutism in the State are now coming into violent conflict with the productive forces. The power crisis that was visible before the death of Stalin and that has since become evident; the failure of planning, not in its result, output and efficiency, but, what is much more significant and much more serious, in its functioning; the declared antagonism, for which there still seems no foreseeable remedy, between farm property, including its kolkhozian form, and state property; are all symptoms that betoken and pave the way for radical changes in the structure of property, in economic management and in the political regime.

Russian State capitalism, which thus manifests in its entirety its reactionary nature, has proved incapable of promoting scientific research and technical inventions so that the productive forces can rise above the level reached through the impetus of classical capitalism. In fact, its leaders have had to engage in pillage and theft in order to fill the gaps in their laboratories and industries. This retrograde situation is due not to the lack of talent but to the constraint practised in society. The inevitable consequence of this, as can be observed, is to leave the initiative in the arena of history to the most highly advanced capitalism, which has found within itself the necessary resources for imparting, in the years to come, an unprecedented impetus to productive forces as a whole.

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Such is the face of things that has been revealed by time. The hazy commentaries on "communism" *per se*, independent of its class content, which, moreover, deal with it as if it were just another topic of idle conversation, merely water down to the point of preposterous insipidity a rich and powerful reality that is masked by official lies and objective hoaxing.

Is not this testimony of the facts a convincing truth?

Even if one is blinded by sophistry, how can one regard the proletarian who is crushed by the tank and shot down by the machine-gun as the master and owner of the state that drives him to despair? Let it not be objected that the bourgeoisie, too, has known many a regime and that it has been subjugated by Bonaparte and Hitler. Who can fail to see the ridiculousness and fallaciousness of such a parallel? Though the bourgeoisie saw its political rights reduced, was it thereby deprived of its social privileges? Who was it that continued to reap the surplus-value, the ruling clique alone or our bourgeoisie? Was there ever a time when it was so destitute, so impoverished, that its deed to property lost all meaning? Who would dare maintain anything so absurd? Is it not obvious that the parallel has quite a different bearing? That the bourgeoisie under Bonaparte or Hitler is the new Russian ruling class under Stalin or Krushchev? That the director of an enterprise, deprived of all political rights but enjoying his datcha and his comfort, is the industrialist of the Third Reich?

Well then, since the worker is not the master but the slave, who is it that rules the State—for there must be some class at the post that history has placed in its hands. The dilemma is clear: either you deny, in the teeth of the evidence, the condition of the proletarian or you must admit that you are in the presence of a new class hierarchy, at the top of which is a ruling class which I call a state class and that, as far as I'm concerned, you may call whatever you please.

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Is the looming of a new social group upon the stage of history so strange a phenomenon? The bourgeoisie and, even more so, the proletariat do not have so ancient a history that we do not know them to be transitory and mortal.

This greedy class whose rough edges can still be felt, that lies and indulges in crime so boldly, whose appetites are known, whose language is still crude, that has won what it possesses by blackmail and terror and now aspires by blackmail and terror to conquer the world, does not emerge upon the stage of history from nothingness, as at the stroke of a magic wand.

In our review of this byegone time which is imposed upon us by the insurrection that has challenged everything, we discover that the confusion between bolshevism and Stalinism is a fallacy. Though they may seem to have a common facade, they have nothing in common, neither in their ideas, their programme, their interests of their action. The cleavage between bolshevism and Stalinism is a class break. In order to ensure its victory, Stalinism had to destroy the bolshevik leaders. Whatever the errors of bolshevism, however great, however harmful one imagines them to be, it remains a fraction of the working-class movement. In his culture, feelings, will, passions and programme, Lenin remained, until his death, one of the leaders of the international working class, even though he was isolated from it, towards the end of his life, by a social split which he did not fully grasp but of which he was not unaware.

Stalinism is the political, moral and social expression of a new class of exploiters who subjected the proletariat to their own interests.

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In its programme, and strategy and by the nature of the party that led it, the revolution of October 1917 was a proletarian revolution, beyond the slightest possible doubt. In the elections to the constituent assembly, the bolsheviks received a majority in all the industrial centres and in the Army, on the major fronts. To deny the fact, to substitute for it the masquerade of a successful Macchiavellian coup d'etat, to perform a trick of sleight-of-hand that whisks away the prodigious richness of the socialist forces and retains only the wretched hollowness of a parliamentary debate that took a bad turn, is to refuse to understand. It is to close one's eyes to a teaching of unique importance in contemporary history.

Thus, the workers, a workers' party that maintained close relationships with the working class majority in industry and the army, took over the leadership of the state that had been conquered by the insurrection. That is the simple truth. Add to it the fact that the same proletarians fought a cruel civil war and won a military victory. Although, according to all expectations, the ruling position of the proletariat in the State should thereby have been confirmed, we are bound to observe that, to the contrary, the workers lost political and social power. In this anomalous situation lies the key to all subsequent social events.

The exercise of power entailed an organic break in the working class. The proletariat, like all classes, is fundamentally heterogenous: its dynamic unity is imposed upon it by the nature of production and labour relationships. When, for the first time in history, the proletariat lifted itself by its boot-straps and became a ruling class, its internal conflicts, in other words, its social conflicts, proved to be the decisive factor. The working class was broken.

The underlying cause of these breaks, the one that had the most important effects, was the rapid distension of the organic bonds between the class and the proletarian fraction that took over the management of the state and the economy. With amazing swiftness, social interests became radically opposed to each other. The proletarian delegation that had control of the State changed into a privileged and ruling caste the moment it intervened in class relationships as an autonomous political and social power.

The years 1920-1924 witnessed the social division and between 1924 and 1929 the parasitical caste became more clearly aware of its interests and social independence. It was in the course of another battle, a battle of incomparable violence, in the 1930's, that it finally set itself up as a dominant class, in the full sense of the term, thereby determining the nature of a new society.

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Of what value now is the objection that it is not possible to claim that there is a new class hierarchy since we have not described the mechanism by which the exploitation operates? A strange argument. Presumably capitalistic society did not exist before Marx propounded the theory of its existence.

There, too, insurrection opens ways to knowledge. It has established the fact that state property can in no way be confused with social property. State property is only the most concentrated and the most dangerous form of private property. Thus, once again is raised, in all its historical amplitude, the question of the ways to social property, the existence of which is the basic condition to the true liberation of all society.

— **David Rousset**

NEW ASIA AND SCIENCE

By C. J. Eliezar (Professor of Mathematics, University of Malaya)

Among the various transformations that are going on all over Asia, an important one is the gradual recognition of the increasing role of science and technology in the life of the new Asia. The general standard of living of the vast mass of people requires to be adequately raised—a most difficult task in the face of rapidly increasing population.

The Asian mind has to be freed from fear, insecurity and superstition, which traditional attitudes have entrenched in a great many of the people. Freedom in the political sphere needs to be carried over into economic freedom as well, and this involves a great deal of planning and utilisation of natural resources, technology and hard work, attitudes of thought and ways of life appropriate to democratic nationhood need to be created and nurtured. In the attainment of all these objectives, science has a noble part —and the sooner we in Asia recognise this, and give effect to it in our plans for future development, the more successful we shall be in bringing about a new richness of life and prosperity in all our countries. When planning for the new Asia, we may be helped and guided by various lessons and experience of history.

The pattern of social evolution has depended a great deal on the kind of science and technology of each age. Broadly speaking, one may divide social history into four ages. The earliest is the age of muscular energy—when man's energy requirements had to be provided by the muscles of human slaves and animals. The civilizations of ancient Rome and Greece depended on muscular energy—and so we find that they employed armies of human slaves and beasts of burden for a variety of purposes.

The second type of energy which man has progressively employed is mechanical energy—such as the energy of wind, river, falling water. It is interesting to note that some of the early human settlements were near the great rivers. The flowing water provided a ready means for the transport of goods. And from the mouths of the great rivers, sailing boats, using the mechanical energy of wind, were able to move across the seas.

The third type of energy which man has been able to use on a large scale is the molecular energy or chemical energy—the energy that is stored up in coal, oil, petroleum or wood. By burning these we obtain forms of energy which may be used in various ways. It is interesting to observe that coal and oil have been preserved in the interior of the earth through certain accidents of geological history. Normally, fallen trees and vegetable matter decompose by oxidation by contact with oxygen in the atmosphere. At a certain geological period, however, fallen trees had become submerged in shallow water, and not having direct contact with the oxygen of the atmosphere, they did not undergo complete oxidation. Instead, they remained in the interior of the earth, undergoing slow transformation through millions of years, becoming eventually oil, petroleum, coal and natural gas.

Now, we dig these out of the earth and ignite them in contact with the oxygen of the air, the energy stored up in them is made available for various applications. For example, vaporised petrol mixed with oxygen of the air, and ignited by electric spark leads to an explosion—but the violence of the explosion may be controlled by regulating the amount of oxygen, and this is done in the motor car engine—so that the explosion is tamed for peaceful use.

In the same way the energy that is locked up in the heart of the atom, which announced itself to the world with a bang at Hiroshima—has been tamed and is being used for various peaceful uses. Already, in England, electricity from atomic energy is lighting some homes, and is turning the wheels of industry. And the several applications of radio-active isotopes in medicine, agriculture and industry have been under way in many countries. We are moving into the atomic age. So we see the four ages of history—divided in terms of their respective energy sources—muscular energy, mechanical energy, molecular energy and atomic energy.

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In each of these transitions, there is not only a change in the type of energy, but there is a multiplication in the quantity of available energy—so that whereas at one stage one thought in terms of units of energy, in the next stage one would think in terms of thousands of units. So in each transition, there is a multiplication in the scale of available energy.

Furthermore, the supply of coal, oil etc. which have come down to us from certain accidents in geological history will be exhausted quite soon—at the prodigious rate at which modern industrial society is consuming these. It is estimated that oil and petroleum will be all exhausted in a matter of decades—while coal may perhaps last about a century. But for the timely discovery of atomic energy, civilisation would certainly have perished. Now, humanity has been given a breathing space in which to learn to live with the atom, to use it for peace and not for self-destruction. We in Asia could do two things in our present context.

One is to exert a moral force on the nations of the world to ensure that atomic energy is used for peaceful purposes only and that international agreement to outlaw atomic weapons may soon become a reality. The climate of opinion everywhere is now gradually moving in this direction, and Asia may well play an important part in hastening this process.

The second thing we in Asia need to do is to give thought to the ways in which we may avail of this new source of energy. As a source of electricity, atomic energy will in the coming years become less expensive as more and more experience enables various technical improvements and reduction of costs. How soon each country can use economically atomic energy for generation of electricity, will depend on the availability and cost of coal, oil and hydro-electric power in that country. As the cost of fossil fuel rises, and that of atomic fuel comes down, the slow transition to the new age needs to be effected in each country.

In respect of application of radio isotopes in medicine and agriculture, Asian countries could make a beginning in these fields straightaway. Already, many of the world's hospitals are using isotopes for the diagnosis and treatment of diseases like leukemia, cancer and thyroid deficiencies. In agriculture, production is being increased. Fertilisers are conserved by studying the processes by which plants absorb the fertilisers, whereas previously it was a wasteful hit and miss process. These applications will bring great benefit to all of us, and these we could begin straightaway.

Furthermore, as we come to realise that atomic energy promises us with a world of plenty for the future, we need to recognise the importance of adapting our educational thought and practice, to brighten this vision of the future and to equip our children for the new age. As it is, there is not enough of science and mathematics taught in Asian schools. The English medium schools have done much in this field, but the other schools have little of science and mathematics. This is a great pity. In a democratic age, the kind of background of the bulk of our children is what will determine the quality of our future civilisation. There are certain subjects of study—geometry, for example, which are very essential for building up the thinking processes of children, and in developing the habit of thinking accurately and thinking hard.

Over 2,000 years ago, Plato had recognised this fact, and on the walls of his Academy were written in bold letters: "He who is ignorant of geometry, let him not enter here". Yet, in the 20th century, so many of our schools are neglecting this subject. I would therefore make a plea for the inclusion of science and mathematics as a part of the training and knowledge of every school child. Along with this educational aspect of science is also the need to emphasise the relationship of science with other attitudes of knowledge and thought such as religion for example. In the 19th century, one tended to think of religion and science as opposing one another. Nowadays, one looks upon them as complementary to one another—each giving an aspect of the total universe. Science, it is true, has tended to be materialistic and cynical in the past, in a sense taking away that sense of wonder at the beautiful things in the universe—a sense which children have in abundant measure. Notice the old nursery rhyme: "Twinkle, twinkle, little star, How I wonder what you are", reflecting the sense of wonder which children have. It is interesting that a famous children's book is entitled "Alice in Wonderland"—this sense of wonder unfortunately killed away as children grow. There is a modern cynics' version of this rhyme, which goes as follows: "Twinkle, twinkle, little star. I do not wonder what you are. A little tin, and a little zinc; For the most part, just hydrogen."

What a dull picture of the Universe, which surely does not describe the whole of life. It is only the half-scientist who, because he has analysed the composition of a star in terms of its chemical elements, would believe that he has explained the Universe away. The real scientist would go on to ask further questions: What is hydrogen, what is helium? Out of such questions have come to us the knowledge of the wonderful tiny universe of the atom. Science, uplifting Mankind to this sense of wonder at the Universe, also says how this knowledge may be used to create a new society of peace and plenty. But before being able to do so, we need to create new social attitudes and thoughts appropriate to the atomic age. When muscular energy was the only available source, social morality justified slavery—but with new sources of energy, man has been able to abolish slavery and build up a new concept of human personality. In the same way, as we enter the atomic age, new social concepts are necessary for survival and growth of the human community.

Men of all nations have to build up new loyalties, which transcend one's group—such as caste, sect, language, colour or race—and which may enfold the whole human race. Either, we all learn to do so, and build up one united world of peace and plenty, or there will be no world left at all.

LIGNITE MINING AND PROSPECTS IN FAR EAST

According to the existing knowledge, with the possible exception of Cambodia, Laos and Viet-Nam, lignite deposits occur in all countries of the Far East. In most of these countries, lignite is the predominant coal; and in some countries like Thailand, lignite is only solid mineral fuel known to exist. This together with the limited occurrence of higher rank coals in a few countries only, and the general scarcity of coking coal for the region as a whole makes the increasing development and proper utilization of lignite resources important for the economic development of the Far East.

In the investigation of any lignite deposit, attention should not be confined to the deposit proper, but neighbouring areas should also be investigated in order to ascertain whether more favourable deposits, particularly in regard to transportation and main consumption centres, could be discovered. Exploration should proceed from large to small areas so that less favourable deposits are eliminated from consideration as the work proceeds, and the best one selected. It would be uneconomic in the long-run to cut down the exploration expenses, resulting in the costly development of an unfavourable deposit and to find out later that better deposits could be developed instead and at less cost.

Geological survey is the first step in mineral investigation. The survey will be followed normally by drilling and/or geophysical prospecting. The use of the geophysical method, particularly the resistivity method, is recommended as it would help in reducing the time of investigation and cutting down the expenses of drilling.

As a rule, open-cast mining of lignite is considerably more advantageous than underground working. Only in open-cast mining can the daily output be regulated. Mining losses are normally about 5 to 10 per cent in open-cast workings as compared to 30 to 60 per cent in underground mining. Selective winning of the different qualities of lignite is possible by open-cast mining. Most important of all, open-cast mining is in the long run much cheaper than the underground working. Underground mining can be considered if the mining conditions are favourable and the grade of lignite high.

The preparation of project schemes plays a leading part in the open-cast mining development. It determines the work on the field, the sequence of exploitation, the methods of de-watering, and the type of the mining plant as well as the equipment to be used. In other words, the project schemes virtually decide the whole course of operations for several decades to come. Mistakes made in the planning stages lead to costly operations afterwards; and perhaps could not be rectified at all at later stages or could only be corrected with considerable difficulty involving considerable financial losses.

Open-cast mining of lignite is a highly specialized operation. It comprises, inter alia, the opening-up and development of the lignite field, the selection of the suitable location for the openings, the mining process, the question of the location of different work levels for overburden waste and for mining operation, the determination of the lengths of the benches, the arrangement of the roads for the lignite winning and transportation, and the selection of the mining machines, equipment and auxiliary plants. The question of de-watering and drainage especially requires a large amount of practical experience. Particular attention should be given to overburden winning as, for each ton of lignite to be mined, several tons of overburden may have to be removed.

A report by the United Nations Economic Commission for Asia gives in detail the open-cast mining method being used in Germany, which has the largest lignite production in the world, as well as the American strip-mining process. The latter is feasible when the thickness of the lignite seam as well as that of the overburden are comparatively thin. As soon as the thickness of the overburden cover exceeds the digging height of large power shovels or draglines (approximately 20 to 25 m), additional machines have to be used both at the mine face and at the waste tip. Sometimes the materials may have to be re-handled at either side. In other words, as the seam thickness and particularly the overburden thickness increases, strip-mining becomes complicated and expensive. When the overburden thickness exceeds 20 to 30 meters, the method is not economical.

A number of cases are cited in the U.N. report in order to illustrate why some lignite mining has been a failure. The main conclusion derived from these case studies is that it is imperative to adhere closely to a systematic mining method, and to get as much benefit as possible from the experience gained by others. In practice, this means engaging competent engineers who have long experience on the subject, and carrying out the development work in the hands of these specialists who should also be requested to train local personnel. Merely to have a knowledge of lignite mining methods and processes is not sufficient; there must be the know-how in respect of the correct assessment of the time required for such a work.

Raw lignite may be used either as run-of-mine coal or delivered to the consumers after sorting and washing. As a rule, however, lignite is used in processed forms, especially as it usually has a high moisture content. In order to decide which process should be used, a full knowledge of the properties of the lignite in question as well as that of various processing methods and their final products are essential. Transportation and market situations have also to be taken into consideration.

An experienced expert normally suggests a number of alternative processes. Such processes will be tested first on trial basis before the process finally selected is put on large-scale operation. It is also necessary to check the products from these processes with market requirements.

The Fleissner process of drying the lump coal without going through disintegration and pressing as required by briquetting is of interest, and its possible application to some of the lignite deposits of the region may be examined.

By briquetting, the lignite is first comminuted, then dried, and finally pressed into briquettes of uniform size, utilizing extrusion or ring roll presses. A high-grade fuel is thus obtained. The size of briquettes can be adjusted to suit the requirements of domestic needs as well as those of cottage and large scale industries.

Lignite dust is a by-product of briquetting. It is a fuel much sought after in certain industries, and in particular the coal dust burning locomotives. Lignite dust can also be obtained from lignite directly by grinding and drying process (kiln mill).

By means of gasification or carbonization, low-temperature coke can be obtained in addition to tar and other products. By briquetting first and carbonization of briquettes later, hard coke may be made. Due to the elimination of the tar-forming constituents, low temperature carbonization coke is generally odourless and practically free from smoke and soot, and hence is suitable for replacing dried cow-dung and wood charcoal. The importance of this problem may be illustrated by the fact that in India alone, some 40 million tons of cow-dung are used every year as a fuel, which could be used more properly as a fertilizer. In the form of low temperature coke, it can replace wood charcoal and thus help to stop deforestation in many countries in Asia.

A number of processes have been developed for producing coke from non-caking hard coal or lignite. In the high-temperature coking process, very fine-grained briquette is made from low-grade briquettes and is then submitted to high-temperature coking. In this manner, it is possible to produce a high-temperature lignite coke suitable for smelting iron in low-shaft furnaces and for other industrial purposes. There is also the so-called double coking process where the lignite is first carbonized, then briquetted with a binding agent, and finally subjected to a high-temperature coking or hardening. The latter has the advantage that a very hard and abrasion-resisting coke is obtained. Both processes permit production of coke suitable for making iron even in countries where no coking coal is available.

The utilization of lignite for power generation is well known. Due to the low production cost of lignite in open-cast mining, steam and electric current can be generated at very favourable prices. The mine-based power station is particularly desirable if the lignite is of a poor grade and has a high moisture content. Lignite power plants and hydro-electric power plants may be linked in such a way that the former can step in temporarily when no or little hydro-electric power is available.

Different processes and technical equipment used for gasifying lignite or its refined products, such as briquettes, low-temperature coke, lignite dust, etc. are also dealt with in this report. These processes are to a large extent independent of the quality of the lignite, and thus permit full utilization of fuels rich in ashes and ballast, the use of which would otherwise be very limited.

Many chemical processes use lignite as a basic raw material. These processes include ammonia synthesis, high-pressure hydrogenation, Fischer-Tropsch process of carbon synthesis, and production of grease acids, paraffins, formaldehyde, pharmaceutical products, plastics, acetylene, Buna, etc.

In introducing a new, particularly low-grade, fuel to the market, initial consumer resistance is bound to be met and has to be overcome. Technical advices should be consistently given to the consumers by specialists who are thoroughly familiar with the technological details of both the fuels being used and the lignite to be introduced.

In most of the countries of the region, the importance of the lignite has been recognized, and active prospecting and exploiting work is being taken place. In a few countries, noteworthy successes have already been achieved, and in some others, a remarkable beginning has been made.

Due to its versatile application as well as the fact that it provides a basic material for the chemical industry, lignite can be expected to play an increasingly important role in the industrialization of many countries of the Far East.

PAPER MONEY IN MODERN CHINA (1900—1956)

SEMI-OFFICIAL BANKS, MUNICIPAL BANKS, CHAMBERS OF COMMERCE, CO-OPERATIVE SOCIETIES, ETC. AS ISSUERS OF BANKNOTES

By E. KANN

PART XV

(97) NINGPO CHAMBER OF COMMERCE

Ningpo is situated in Southern Chekiang and always maintained very close relations with Shanghai. In 1940 the Ningpo Chamber of Commerce issued fractional paper money in denominations of 10 and 20 cents, printed locally on poor quality paper.

(98) UNITED CHAMBERS OF COMMERCE, 3RD AND 4TH DISTRICTS, CHUANSHA

In 1939 this body emitted subsidiary notes for 10 and 20 cents, marked on the reverse "Purchase Coupon". Chuansha is situated near Shanghai.

(99) FENGTIEN PROVINCE MERCHANTS GUILD

Issued paper money under the imperial Kuang-shu regime, i.e. before 1908, designed after the style of the Hongkong & Shanghai Banking Corporation. The English legend is lengthy, though in 'pidgin'. On the obverse one reads: "The note itself is referred not the person who holds it. Chinese Banking note use forever.". Date of issue was to fill in with ink and brush.

(100) FU LAN PEIERH OFFICIAL AND MERCHANTS MONETARY OFFICE

This institution issued in 1914 a 1—dollar note, the obverse of which shows Chinese and Mongolian legends. The reverse, all in chocolate shade, contains lengthy regulations in Chinese.

In 1917 the bank issued in Outer Mongolia notes in denominations of roubles 1, 3 and 5 with Chinese and Mongolian legends.

(101) HULAN PAO ERH OFFICIAL AND MERCHANTS MONEY BUREAU

Seemingly the same institution as No. 100. In 1919, when there was a severe monetary crisis in North Manchuria (where the corporation was situated), this body issued paper money in denominations of 50 cents, as well as $1, 3, 5, 10, 25 and 100. On the reverse it is stated in Chinese that the emission was necessitated by the Russian monetary crisis. The dollar denominations were exchangeable against rouble notes.

(102) NINGTSIN CHAMBER OF COMMERCE NINGTSIN DISTRICT

Issued a five-dollar note in 1938; possibly also other denominations. The fate of such issues is not known.

Ningtsin is situated in Shantung Province, along the Tientsin-Pukow Railway line.

(103) SHENFANG CHAMBER OF COMMERCE

Shenfang is situated in Hopei Province. The note issue originated about 1938, but bears no date. At the close of the 1930s there was a severe monetary crisis in North China. The fiat money appeared in the shape of a 20-cent note. Its reverse announces in Chinese:

> "This note has been issued in view of the financial stringency during this unusual time, for meeting the newly created market demands, as well as for maintaining the people's livelihood. This note will be redeemed with the return of peaceful times when currency recovers its normalcy. This note has been entrusted by the Chamber of Commerce to a most reliable firm (the Shen Li Native Bank) for making payments, so as to inspire confidence."

(104) LUNGKOW CHAMBER OF COMMERCE

Not only Hopei, but also Shantung Province mustered its official organizations to attempt finding relief from monetary difficulties in 1937/38. The Lungkow Chamber of Commerce issued in 1937 a series of notes in denominations of 10, 20 and 50 cents. These were inscribed in Chinese: "Provisionally current note for the rescue of the market."

(105) CHUNGKING MUNICIPAL BANK

Was inaugurated in January, 1941, with a capital of $1,000,000, of which $100,000 was supplied by the Municipality, and $900,000 by banks and private capitalists. Issued fractional notes.

(106) WEIHAIWEI CHAMBER OF COMMERCE

This Shantung port issued in 1937 a 50-cents note and possibly also other denominations. On the obverse it is stated that it was a "provisionally current note for the rescue of the market."

(107) KIUKIANG CHAMBER OF COMMERCE

Kiukiang is situated on the Yangtze and constitutes an important place in Kiangsi Province. The Kiukiang Chamber of Commerce, in the autumn of 1936, issued subsidiary paper money without permission from the Government. The latter severely reprimanded the Chamber and ordered it to withdraw and destroy the unauthorized issue.

(108) FUSHAN EXCHANGE NOTE

Although it does not state who the issuer is, there is little doubt that once more we have to recognize the Chamber of Commerce of that small Shantung town as such. "Provisional Notes" in denominations of 10, 20 and 50 cents were issued in 1938. The reverse warns in Chinese not to pay (redeem) at night time.

(109) SWATOW CHAMBER OF COMMERCE

Swatow is situated in Kwangtung Province. In its issue No. 4 of April, 1936, the "Chinese Economic Journal & Bulletin" reports that about $8,000,000 worth of notes were issued by the local Chamber of Commerce. As the fiat money was inadequately secured, its value declined by 75% of face amount.

(110) LOSHAN CHAMBER OF COMMERCE

Loshan is situated in the Eastern portion of Szechuen Province. The Chamber of Commerce there was a note-issuer, but the total circulated was never divulged.

(111) WEISHAHE CHAMBER OF COMMERCE

The station Wei-sha-he is situated in North Manchuria. In 1918, when there was a dearth of small change, the local Chamber of Commerce was responsible for a temporary issue of paper in denominations of 10, 20 and 50 kopeks, printed by a Chinese firm in Harbin.

(112) SUIFENGHO CHAMBER OF COMMERCE

Suifengho is situated in North Manchuria, near the Priamur border. In 1919 the Chamber of Commerce there found it essential to issue its own paper money in denominations of $1, 3, 5, 10 and 25. It is not known whether and to what extent it redeemed its note issue. The fiat money was printed by a Chinese firm at Harbin.

(113) MANCHULI CHAMBER OF COMMERCE

Following the example of other places in Northern Manchuria, the small city of Manchuli, situated on the border of Manchuria and Siberia, issued in 1919 through its Chamber of Commerce paper money in denominations of $1, 3, 5 and 10. It was stipulated on the face of the notes that only quantities of from $250 to $1,000 were admissible for redemption. The notes were printed by the Yuang Yuan Lithographic Co. of Harbin.

(114) HSIAO SUI FENG CHAMBER OF COMMERCE

In 1918 it issued notes, allegedly of a temporary nature. The author saw the 50-cents value, but most likely there were others too. The place is situated in North Manchuria, and the notes were printed in Ping-kiang.

(115) KIANG-SU AGRICULTURAL CO-OPERATIVE SOCIETY

Notes were issued, dated 16th Year of the Republic (1927), of which the author saw the $1 kind. The reverse (in grey) contains a number of regulations which, most likely, went unobserved.

(116) TSUNGMING ISLAND RICE COMMITTEE

Tsungming Island is situated at the estuary of the Yangtze, not far from Shanghai. In 1940 fractional paper money was issued there by the Rice Committee; the author has seen a 50-cents note.

(117) RURAL RELIEF COMMITTEE, NINGTSIN DISTRICT

Situated in Hopei Province, this public body, in 1938, issued paper money in denominations of 10-cents and $1, printed at Tientsin. The obverse bears the large seal of the Ningtsin Chamber of Commerce, Section for Inspecting Notes, and is adorned by a lengthy inscription in Chinese which, in translation, reads as follows:

> "Calamities and misfortunes have both been witnessed in Ningtsin, causing currency stringency, suspension of agricultural and commercial activities and rendering many inhabitants homeless. For the sake of emergency relief, the Rural Relief Committee has been formed with the approval of all classes. This Committee now issues Promissory Notes for circulation for a period

of one year. Upon expiration thereof, the Chamber of Commerce will assume responsibility for taking up collections and making up losses by assessments according to land-acreage. It is hoped that all classes will unanimously accept and circulate the note in question, in which event it is equal to loosening one's purse strings in generous aid of the needy."

(118) RURAL RELIEF AND CO-OPERATIVE COMMITTEE, WESTERN SECTION OF CHAOHSIEN

Also domiciled in Hopei Province. In 1938 it issued notes for 10, 20 and 50 cents. These are provided with a sob-story very similar to the foregoing. Small merchants were allowed to call for redemption up to $5 by applying to their village guilds. But repayment of the bulk is to be effected after the autumn harvest, "when collections and assessments will be made according to land-acreage."

(119) THE CHI TUNG BANK

In a part of northeastern Hopei the local authorities revolted in 1935 and constituted themselves under the protection of Japan as an independent district under the style of "Hopei Autonomous Government", with the capital at Tunghsien. Other places included in the district were Tongshan, Chingwantao, Shanhaikwan and Peitaiho. In 1937 the new puppet Administration issued nickel and copper coins, as well as banknotes in denominations of $1, $5, $10 and $100; also subsidiary notes were placed into circulation.

According to a Domei despatch of October 20, 1936, the Chi-Tung Bank was to start operations in February, 1937. Its capitalization was to be $5,000,000, of which $1,200,000 was paid-up. Its currency was to be linked with the Japanese yen. At first, the issue was unpopular and remained small. But gradually it gained the confidence of the public, principally because the Yokohama Specie Bank's branches in North China had declared their readiness to redeem the notes upon presentation.

By the end of January, 1939, the total note-issue of the Chi-Tung Bank aggregated $7,800,000. The establishment of a Nippon-sponsored Federal Reserve Bank in North China automatically precluded the circulation of paper money by other institutions. Therefore the public received final notice that, by the end of December, 1939, the Chi-Tung Bank's entire emission of paper money had to be exchanged against Federal Reserve Bank notes at par.

With the occupation of North China by Japanese forces, the existence of the Chi-Tung Autonomous Government became superfluous. And with its abolition the Chi-Tung Bank also disappeared from the scene.

(120) THE GREAT NORTHWESTERN BANK

This was a semi-official institution, also known under the style of "Mongolian & Tibetan Bank". No particulars are available as to its organization, capitalization and career. The bank had branches in Peking and Tientsin, where—in 1924, it issued paper money in denominations of 10 and 20 cents.

(120a) HANDAKHEDZE MUTUAL CREDIT

A small outfit in Northern Manchuria which issued rouble notes in about 1917.

* * * *

Not only banks, exchange shops, municipalities, etc. were responsible for circulating paper money in China. Untold numbers of shopkeepers, mining enterprises, and even artisans, likewise emitted fiat money. There are instances, when charity institutions figured as issuers of paper. As an example one need only refer to the Changsha (Hunan) Orphanage, the Changsha Charity Organization, each of which—in 1925—had about $40,000 of its own notes outstanding. The object of these notes (which enjoyed good credit in the market) was to facilitate distribution and small loans in fractional notes to the poorer classes.

(To be Continued)

RESETTLEMENT OF DEMOBILISED SOLDIERS IN CHINA

The Chinese Communist Party has seldom failed to realise the prudent necessity of keeping on the right side of the Army, but there was a certain tone of concern in the many items carried by the official news agency when the last batch of about a quarter-million troops were demobilised. These were the last remaining veterans of the Korean war—"the last group of Volunteers, the outstanding elements of the People's Liberation Army," as the organ of the Communist Youth proclaimed. They were also, as therefore the most deserving, the most luckless, for whereas many of the socalled Volunteers who were demobilised at earlier stages got cushy jobs in mines, factories and bureaux, these servicemen were all told they would have to go back to the country: there was no room for them in the cities and industrial areas. Even those who came from the cities and have their homes there were told that they would have to go to the villages and take part in agricultural construction, where they were badly needed. It was asserted that many of the demobilised men quite understood the position, but it was also admitted that some were displeased as they had hoped for jobs in the industrial or mining enterprises and settle down in the cities. "Some of them despise agricultural production and consider that it is not worth while to engage themselves in farm work."

The Youth League organ is at some pains to correct this attitude. It points out that all the various organs are now well established and in some departments there is a surplus of personnel. A policy of economy is being carried out, Government organs are being simplified and retrenched and some personnel who went to desk work from production, are being sent back to production. In the few cases of expansion of industry the personnel needed will mostly be transferred in limited numbers from factories of the same trade; hence the for settling down in the cities is impractical. The home villages had been co-operativized, but there is still lack of management experience, a lack of backbone elements, and a pressing demand for a group of persons like the demobilised Servicemen who are literate and have organisational ability to become co-operative cadres. The older people in the countryside were therefore anxiously expecting and "ardently welcoming" the ex-servicemen to strengthen the co-operative leadership. Agricultural production, like industrial production, is a very honourable task and plays a very important role in the socialist construction of the State and in the livelihood of the people.

The troops were warned that conditions in the farming areas were no bed of roses. Many difficulties would still have to be encountered in life and in work, and they were enjoined to make suitable ideological preparations therefor. The familiar army life, the military work and the comrades who used to work together with them would soon have to part. The demobilised soldiers would have to get accustomed to the new rural life, familiarise themselves with agricultural techniques, and co-operative management, and acquaint themselves with working harmoniously with new colleagues. They had been used to a collective life in the army, which looked after their clothing, food, housing and transportation. Now they would have to fend for themselves in these things, and lead a planned life. The unified purchase and marketing system is being carried out in the rural areas, so the soldiers must consume grain, use oils, and sew new clothes in a planned manner. The living standard would also be lower. So a style of hard work and plain living would be necessary, "sharing sweets and sorrows with the masses of the people and refraining from being estranged from the masses." They would have to study humbly and diligently the farming techniques, and they would have to get used to people of all ages. In the army they met men mostly of their own age; in the villages there were old and young, men and women, progressive and backward people, whose customs and habits differed. To get along with them in harmony they must be humble and modest, unite with them, and refrain from being conceited. It was easy enough for them to be conceited, since they had been the outstanding elements in the army and had made contributions to the revolution.

The Liberation Army organ gave expression to similar ideas and sentiments. It recalled Chairman Mao's treatise on the People's Democratic Dictatorship in 1949 and his comment that victory in the revolutionary war was merely like the first step in the Long March, so heavy is the economic construction task. The revolutionary war was intended to remove the barriers to the development of production. The army men stood on the front line in battle and stand on the front line again in construction. They were needed in the rural villages as good organisers to consolidate the unity of the peasants, to solve disputes in the co-operatives and to establish labour discipline. The APCs needed people with literate qualifications to attend to bookkeeping, to make investigations, to read official papers, and to put out wall newspapers. They need people with techniques to repair farm implements and to study advanced production-increase experiences. They needed people with a knowledge of public health methods and naturally they also needed the labour of these strong young men. This organ said it must criticise the viewpoint which suggests that "after being a soldier for so many years, it is 'unpromising' to return home to become one of the ordinary people." Demobilisation was merely a change from one post of duty to another: from fighting to production. Labour and production were the honourable duty of every citizen.

The soldiers were assured that the situation of pressing for repayment of debts, for payment of rentals and for other payments, of labouring all the year round and starving all the time, had gone, and will not return. It was true that owing to a shortage of materials, in some areas there were deficiencies in the supply of edible oil and cotton goods. There are too few old co-operatives and too many new ones, which lacked management experience and cannot therefore step up their production too high. In some cases the increased production may not necessarily bring forth higher income to the co-operative members. Even if there is an increase of income, the increase is negligible—which was pretty frank. Even so, though the natural calamities in 1956 were more severe than in 1954, the gross grain output was 20,000 m. catties higher than the bumper year 1955.

In most centres special units were given the task of finding employment for the demobilised servicemen, and the cadres of street organisations in various rural districts visited the demobilised in their homes. Marshal Peng Teh-huai, Minister of Defence and Vice-Premier of the State Council, personally went to see the demobilised officers and men in Peking who attended the conference of representatives of advanced ordnance workers of the PLA, urging all delegates to stand firm and to deal correctly with the contradictions within the ranks of the people "in the period of a big social change in China." Reports from provincial centres indicated progress made in resettling the demobilised, and also the aid being given the masses by the regular troops. Officers and men in the Kunming, Canton and Wuhan areas were all actively helping the local residents to run primary schools and evening classes, and units in the minority areas were helping the various nationalities to develop their agricultural production. In one county in Kwangtung, the magistrate and the chief of the Conscription Bureau led several hundred workers, employees, students, and residents to the station to greet the returning veterans with gongs and drums, while many residents were posted along the route to cheer the home coming heroes. Apparently a large proportion of the volunteers now being demobilised were former members of the Youth Corps—in some cases 98 per cent.

RAILWAY CONSTRUCTION IN CHINA

One of the most picturesque railways in the southwest, linking Hanoi with Kunming, is now being rebuilt and is expected to be opened for traffic early in 1958. The line is 530 miles long and those who travelled on it between Kunming and Hanoi before the Japanese invasion said it was a memorable experience because of the fantastic beauty of the scenery and the hair-raising way the line dodged round the peaks and the precipices and over the ravines. Work was not allowed to stop for the rainy season though it was going on in the mountains.

It was announced at the same time from Lanchow that the aerial survey to discover the best route for a railway from Chinghai province to Tibet had been completed, and a route of nearly 900 miles from Karmu (Golmu) to Lhasa is to be mapped out. Suitable passes and valleys have been found by which the railway route may cross the Tankhla Range and the Kunlun Mountains, which average about 18,000 feet above sea level. Soviet experts directed the Chinese technicians.

Preliminary designing for the railway to link Chuchow and Kanchow, important cities in Hunan and Kiangsi, has also been completed and submitted to the Ministry of Railways for approval. This military line is expected to start at Pingshantang station on the Canton-Hankow Railway and to extend in a south-easterly direction through Yuhsien and Chaling and across the provincial borders at Chiehhaulung. It will go through Lienhua and Yunghsin in Kiangsi and end at Kanchow, a total length of over 250 miles.

Surveying has also been completed of the double-track project on the Chengchow-Hankow section of the Peking-Hankow trunk line. The double-track tunnel at Wushengkuan has also been completed and will soon be in use. The double-track between Hankow and Chengchow is about 320 miles long. When the Yangtze bridge becomes available for traffic in the autumn, and the steel and iron complex is completed in Wuhan, traffic on the railway is expected to show a marked increase. Automatic traffic signals will accompany the double-tracking, enabling trains to set out at ten-minute intervals.

Progress is reported on the track-laying of the northern section of the railway between Paotow and Lanchow, some 700 miles in length. It is being built from both terminals. The northern section from Paotow to Yingchuan is about 350 miles long and track-laying reached Hsishanchui, some 80 miles from Paotow, in June, and was approaching Wuliangsuhai, an area well known for its carp fishing. Most of the production of big carp goes to Peking and Tientsin. Farther west is the irrigated area of the Ordos Bend of the Yellow River. A considerable diversion of the irrigation channels is necessary in this area, especially at Fuhsing, Fengchi, Yungchi, and Huangchi. The railway will cross the Yellow River rapids at Sanshunkung (200 miles from Paotow) for the first time. Proceeding southward on the tableland between Yinshan and Holanshan, it will again cross the river at Santaokan, and then proceed across the Yinchuan plains. These two bridges across the Yellow River are the key projects of the northern section. The bridge-building units of the Railway Construction Corps arrived at the construction site earlier in the summer.

The railway authorities were trying to speed up the slowdown in the double-tracking and in technical reconstruction. Only 13% of the year's double-tracking plan had been completed by June; and on the lines undergoing technical reconstruction many bridges, tunnels and culverts have to be built before double tracks can be laid, and work on half the bridges has not even started as yet. Many telecommunication wires and highways were erected too close to the original line and double-tracking requires the moving of these wires and highways while trying to maintain normal traffic. An official of the Ministry was critical of planning by the construction departments and of their poor co-ordination and lethargy. As a result Soviet experts and responsible officials of the ministry's capital construction department had to visit the scene themselves and help solve major problems with the result that things have taken a turn for the better.

Some of the gangs which had worked on the building of the Yangtze bridge were transferred to the site of the Siang River bridge—the second railway and highway bridge—which is expected to be ready for traffic before the end of the year. This bridge will be some 1,300 feet long with seven spans. The Nationalists completed the construction of the first bridge there during the war, but three months after traffic had begun it had to be destroyed in 1944 owing to the Japanese advance. One new pier was built but the others were erected on the submerged foundations in existence.

Work has also started to link up the east-west trunk line, the Lunghai, with the southern Tatung-Puchou railways, thus linking Shansi and Shensi across the elbow of the Yellow River. The line starts from the famous Tungkwan Pass and first station of the Lunghai in Shensi. The junction line will cross the Yellow River and be connected with the railway, now of standard gauge, which bisects Shansi province and links up with the main Chinese network at Shihchiachuang. This short link line over the Yellow River will give a traveller from Chungking via Chengtu uninterrupted rail travel to almost any point in China. The transport mileage for Shansi coal to aid the North-west region will be shortened by more than 550 miles. Work on the building of the roadbed for the connecting line has already started and the bridge-builders have arrived on the site from the Yangtze bridge site at Wuhan. The bridge over the Yellow River will be about 1,000 meters. The old steel spans will be used at first as a temporary measure. The river at Tungkuan is wide and the flow rapid. Hitherto the link relied on ferry boats at Fenglingtu.

The five-year plan targets in all spheres of transport and communications were surpassed by the end of June. The additions to transport facilities during the five-year period were: railways, 4,700 kilometres; locomotives, 500; trunk highways, 10,100 kilometres; sea and river-port capacity, 6.8 million tons; coastal navigation routes 20,000 nautical miles; inland navigation routes 8,000 kilometres; civil airlines 20,000 kilometres. Railway freight traffic nearly doubled, shipping tonnage and aircraft loading capacity both increased 80% during the five year plan. Most of the new railways built are located in the mountainous western half of China, involving great engineering difficulties, but leading at last to the linking up of the isolated Northwest and Southwest. Railway construction advanced most rapidly in the regions inhabited by the National minorities. Horse and yak caravans on the Tibetan Plateau and the border regions in Yunnan Province are being replaced by motor convoys. A coastwise shipping service, linking Shanghai, Dairen and Canton, has been formed and ten-thousand tonners can now berth at all major seaports, including the new port of Chankiang (Tsamkong), formerly Kwangchowwan, on the Liuchow Peninsula opposite Hainan. Peking is now also linked by civil airlines with 38 major cities and industrial centres throughout the country.

Overall construction work has also been started on the huge project for the renovation and expansion of the Tsitsihar manufactory for locomotives and coaches. The construction site covers an area exceeding 60,000 square meters, and while the new buildings go up work continues in the original manufactory whose annual production exceeds 4,000 goods waggons. Many modern specialised lathes are being installed for the manufacture of rolling-stock, including six sets of automatic soldering machinery, and the whole project is scheduled for completion in 1960, when production will be increased fivefold without any increase in the number of workers. It will also be able to produce all-steel waggons of 90/120 tons capacity.

JAPAN'S LABOR ECONOMY IN 1956

Labor economy in Japan marked striking gains in 1956 according to a White Paper published recently by the Ministry of Labor. Titled "An Analysis of the Labor Economy in 1956", the publication revealed that both employment and wages showed a sizeable improvement while the number of labor unions increased by 2,000. The rise in real wages kept pace with the increase in nominal wages with the result that the average worker is enjoying a better standard of living. On the other hand, the rise in employment failed to absorb a large number of workers not fully employed so that labor shortages were felt in certain industries. At the same time, the wages and household economy of the lower income strata showed little improvement because of the widening gap between the wages of workers employed in large and small enterprises. The effects of automation were beginning to be felt. The problems of shifting workers within an enterprise and among industrial firms and of assuring a steady supply of trained technicians and skilled workers will have to be met.

Improvement in Labor Economy Resulting from Economic Prosperity

Japan's economy in 1956 expanded at a phenomenal pace. Both mining and industrial production and real national income surpassed the preceding year's level by over 20 per cent and 10 per cent, respectively. Their rate of increase was extremely high as compared with other countries. Parallel with this expansion, the labor economy improved spectacularly, although there remained a number of problems such as the existence of a large body of people not fully employed and an ever-widening difference in wages among large and small-scale enterprises.

The trend toward increased employment is a quantitative expansion of the economy. It had already become noticeable in the latter half of the preceding year but real momentum was gained in 1956 when the scope of the economy widened enormously. The total number of people who found employment in 1956 rose by 780,000. Divided into agricultural and non-agricultural work, the former decreased by 430,000 (in 1955, it was up by 390,000 over the previous year), whereas non-agricultural employment gained by 1,220,000 (as compared with 950,000 increase in 1955). Among non-agricultural work, the greatest upswing was in the manufacturing industry where employment rose by 480,000 (110,000 in 1955). In the past, increased employment was most conspicuous in the commercial and service enterprises. Among manufacturing enterprises the sharpest gain in employment was in the machinery industry, reflecting the investment boom. An overall increase was also seen in the fields of capital goods, basic equipment and a segment of consumer products.

As for businesses regularly employing more than 30 persons, the rate of increase in 1955 was only 0.1 per cent but this rose almost to five per cent in 1956. This increase in the comparatively modern phase of industries was the largest in recent years. Classified into categories, employment of family workers declined by 620,000 (a gain of 360,000 in 1955), self-employed persons rose by 90,000 (270,000 increase in 1955) and employees increased by 1,340,000 (700,000 in 1955).

In view of the trends in the industrial categories previously mentioned Japan's employment structure can be said to have advanced a step toward modernization. Viewing the labor market from the standpoint of the public employment office, the number of jobs increased by approximately 30 per cent, and the ratio of jobs to job-seekers fell to its lowest point since 1951. In fact, there were more jobs than job-seekers in certain categories of work. Unemployment among day laborers also declined to its lowest postwar level as jobs centering around private works increased. The number of job-seekers as a whole, however, still continued to be 2.6 times greater than the number of jobs available. Over 2,780,000 so-called non-full-time workers are said to be searching for full-time work.

Wages continued to rise from 1955 through 1956. Total cash outlay for wages rose by 9.2 per cent over the previous year, and real wages also gained by 8.6 per cent. The rate of climb, however, gradually slowed down as the year-end approached. The gain in wages in 1956 was remarkable from the standpoint of special summer and year-end allowances. Whereas regular salaries increased seven per cent as compared with the preceding year, special allowances climbed by a wide margin of 24 per cent. Because of mounting production and sales in 1956, enterprises raised the wage level. They also improved their operations and expanded employment.

The stability in prices of consumer goods, moreover, resulted in a rise in real wages almost equivalent to the gain in nominal wages. Despite the higher wages, the following points were noted: (1) the gap in wages between large and small-scale enterprises grew wider; (2) whereas the wage increase of skilled and trained workers with long years of experience was high, that of temporary day workers and unskilled workers was low; and (3) wages generally tended to be more widely distributed. In due proportion to the increase in wages, the real income of a worker's family rose by nearly 10 per cent over the preceding year.

Consumption, on the other hand, remained relatively stable. Since consumption rose by only 7.5 per cent, it meant a further improvement in the balance of income and expenditure. For the first time since the end of the war, the income as compared with expenditure exceeded 10 per cent in the black, reaching 10.5 per cent. The rate of food expenditure to the total expenditures declined in 1956 to 42.9% as compared with 44.5 per cent in 1955.

Total labor hours per worker per month rose by approximately two per cent over the previous year. The largest gain since 1951 was recorded in the manufacturing industry where they increased by about three per cent. These figures were due mainly to overtime working hours, which climbed by 21 per cent in the case of the manufacturing enterprises. Labor accidents increased considerably over the preceding year but in view of the gain in employment and working hours, the ratio was about the same as in 1955. Most of the accidents were of a minor nature.

The number of labor unions grew by approximately 2,000 and their members by 180,000. At the same time, unionization registered an increase in the small and medium scale industries. But because the increase in employment was greatest in those enterprises where organization of unions was lagging, the ratio of organization was down from 38.8 per cent in 1955 to 36.2 per cent in 1956. Labor disputes totalling 1,330 cases and workers involved numbering 3,370,000 were somewhat less than in the previous year but there were more aggressive demands for wage hikes and other benefits. Reflecting the prosperity, many of the disputes were settled within a short time through direct labor-management negotiations; and more of them were solved to the advantage of the labor than in 1955.

The Effect of Mechanization and Modernization on Labor Economy

In a strict sense, Japan's introduction of automation has only been partially carried out; but its effect on the labor economy cannot be ignored when considered as a step in the development of mechanization and modernization. For example, despite greater production, the volume of employment has not risen proportionately; in fact, the number of workers engaged in key processes are tending to decrease. There has also been a change in the structure of workers. High class technical and supervisory type work requiring a high degree of skill has increased. As automation becomes more widespread hereafter, such questions as the following must be solved.

(1) The problem of shifting workers to different jobs within an enterprise must be tackled. This must be followed by a consideration of an overall employment policy, involving the distribution of labor manpower among different enterprises and industries, of the rate of development of the entire national economy, and the social security system. (2) The problem of how to train high-class technicians and skilled workers and maintain a sufficient supply must be met.

Conclusion

The labor economy in 1956 displayed phenomenal improvements in the fields of employment, the labor market,

THE PHILIPPINE CULTURAL MATRIX AND ECONOMIC DEVELOPMENT

By Thomas R. McHale

In the current discussion of Philippine economic development few people have considered that industrialization requires extensive cultural changes that are not desired today by most Filipinos. Of fundamental importance is the question of reconciling the superior "value" of the Filipino family system with the demands of rapid economic development. This relationship between the Filipino family system and rapid economic development will be explored in this paper.

It is both possible and desirable to approach the problem of Philippine economic development from a number of different directions. Macro-economic analysis utilizing national income accounts and any of the several micro-economic tools available to the economist offer valuable insight to the problem at hand. Likewise, problematic approaches to particular sectors or problems of the Philippine economy such as balance of payments, monetary policy and fiscal planning have their usefulness. In all of these approaches one can gain substantial understanding of the mechanistic aspects of the problem. All these approaches, however, are based on assumptions that fall under one or more of the following three generalizations:

1. Economic development, as differentiated from economic growth, is a "superior" value in any ordering of Filipino social values.
2. The problem of economic development is not culturally determined.
3. The problem of economic development is essentially one of economizing and allocating tangible resources so that a maximum "welfare" (which is susceptible to quantification) emerges over "x" times.

This paper deviates significantly from the conventional economic analysis by focussing attention to the generalized statements above which are invariably subsumed in so-called practical discussions of Philippine economic development. This is not to suggest that the aspects of the problem which will be discussed have not been formally or intuitively recognized by others. What it is to suggest is that few individuals have recognized the importance of these "cultural base" factors. Arguments over exchange rates, import controls and the government's fiscal policy have completely obscured the fact that Philippine economic development must evolve culturally as well as in terms of pesos and centavos. These arguments also have served to conceal the important value conflicts which are of greatest importance in the ultimate determination of the rate and the direction of economic development.

In a large measure this paper will also suggest that the utility of macro-economic analysis in underdeveloped areas has severe limitations; it is the strong conviction of the writer that the conventionally discussed bottlenecks in the development process which are quantified and qualified in units of capital, labor and land are of minor importance at this stage of economic development in the Philippines.

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It is beyond the scope of the paper to present a comprehensive anatomy of the relevant Philippine Christian culture which forms the base from which all economic developments in the Philippines must evolve. Nor is it possible to outline the full range of value conflicts which have or will emerge from the super-imposition of a goal like rapid economic development on the particular pre-industrial Philippine cultural matrix. But it is possible to suggest a number of concrete problems which are involved, problems which invite serious thought and discussion despite their subsumption by "developing economy" model builders and descriptive economists.

A beginning can be made by stating a frequently ignored fact that the conventional economic "descriptions" of industrialization are only partial. A factory is far more than an aggregation of machines and plants (fixed capital), liquid asets (working capital) and workers (labor) with a collective level of output (production function). A factory represents a whole way of life, a highly integrated cultural complex. Even beyond this immediate cultural fact represented by the factory per se, lies a further more basic condition. The existence of factories is invariably indicative of the far larger cultural horizon, involving production for an impersonal "market," organization of production factors on a systematic and extensive scale and some type of production planning.

In many underdeveloped countries, specifically the Philippines, there is a ready acceptance of such abstract goals as higher per capita income, improvements in technology and general improvements in a national welfare sense. The fruits of industrial development are strongly desired and earnestly sought. It would be near impossible to find a single responsible Filipino official today who would willingly question the overwhelming desirability of the outlined goals and their superior "value" in most any ordering of "values."

At the same time the Philippines, like so many other underdeveloped areas, shows an extreme distrust and often strong opposition to such characteristics of the industrial West as conjugal family patterns, depersonalized political and legal institutions, and the preponderant place of the market in almost all aspects of life. Such distrust and opposition is openly manifested in the frequently repeated

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wages and household economy. On the other hand, shortages of labor manpower occurred in certain categories of employment despite the existence of a large number of workers not fully employed. The widening gap in wages between large and small-scale enterprises, the slow pace of improvement in the wages and standard of living of the low income stratum and the increase in the number of temporary factory workers are problems that still have to be solved. As for the economy as a whole, unhealthy trends were visible, such as the deterioration in the international balance from the latter half of 1956 to 1957 due to increased imports, excessive investments in some industries and a rise in commodity prices. Thus, in order to advance the results achieved in the labor economy in 1956, it is desired that a healthy expansion of the economy be carried out, a careful study of the imbalance within the labor economy be made and a concrete policy established.

denunciations of "slavish imitation" of the West in such matters. In this attitude in the Philippines lies the basic cultural conflict of economic development: the material rewards of industrialization are considered superior values to be attained while the underlying cultural base of a typical industrial complex remains inferior and unwanted.

In many parts of the East—India is a good example—opposition is based on the supposed "spiritual inferiority" of Western "materialistic" cultures. At the same time economic development programs inspired by the economic welfare conditions in the industrialized West are proposed. While the advantages of modern technology and raised living levels are earnestly sought, attempts are made to pick and choose only those cultural implements which have appeal or value within a traditional non-industrial cultural value system. There is an implicit assumption in India, for example, that the material benefits of industrialization can be gained within the "spiritual heritage" of India.

Chester Hunt, a sociologist, has pointed out the paradox of considering a society in which the rich pay few taxes, escape major charitable contributions and live on a sumptuous scale while the bulk of the population live in undernourished poverty "spiritual," while a society with high wages, numerous charitable organizations, extensive public health facilities and businessmen concerned about the living levels of their employees is classified as "materialistic." Hunt believes that the notion that the spiritual has a material aspect is a Western heresy.

We can go beyond Hunt's observations concerning "heresy" by suggesting that there are strong reasons to believe that an over-all "spiritual" frame of reference is a most inauspicious conditioning factor for economic development. Certainly such measuring criteria as efficiency, productivity and marginability find no ready place in a spiritual world. This is not to infer that the "materialistic" cultures of most industrialized areas are without strong and deeply rooted moral codes; certainly the whole field of welfare economics has its own particular ethical motivation. The point to remember is that economic development, conceptually, is wholly materialistic. It both evolves from, and is measured in terms of, material antecedents. To expect to gain the fruits of economic development or industrialization without accepting some of the basic props of the industrial cultures is like expecting the fruit of the tree to come from a trunk without roots below the ground.

(At the same time that one must recognize the cultural baggage of industrialization or economic development, one must disabuse oneself of the notion that economic development is necessarily synonymous with increasing happiness; it is a serious mistake to treat the two objectives as coincidental).

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To move from the general cultural climate to a more specific Philippine situation, it is helpful to analyze in some detail one of the crucial cultural "value" conflicts brought about by the acceptance of the goal of rapid economic development. Here in the Philippines—as in most underdeveloped or non-industrial areas—the characteristic "family" unit is the consanguine group, that is, a group with extensive lateral as well as inter-generational extensions. Extensions of the "extended family" by marriage are also common. Recognition of family ties to the third degree is common.

Within this family structure, the individual Filipino finds his status, authority and general responsibility traditionally defined. Within this family grouping also, the individual finds security and often his role outside the family established. The family group, rather than the individual, is traditionally the key determinant in property-holding and investment decisions and only somewhat less important as a unit of labor and consumption.

Family authority patterns are almost exclusively a function of age and closely parallel the Chinese family system in many respects (even to the extent of using a distinctly Chinese sibling status vocabulary—words like ate, ite, ditse, sanse, kuya, diko, sanko and siko in some localities). The age authority hierarchy goes beyond the immediate conjugal family unit. Both by custom and law, the grandparents must usually be consulted by any members of the family on any important question that might involve the family in any way.

The responsibility of the individual Filipino to his extended family is extremely great. With them he must always share his good fortune; but with them he also can expect support in any time of need. The extended family traditionally takes precedence over all other loyalties be they church, nation or other social groupings. The family extensions are most often co-terminous with the extensions of long-term "economic" trust; the family likewise serves as a major credit institution either directly through family savings or indirectly through the provision of loan collateral. Editorials in the newspapers notwithstanding, nepotism is one of the more firmly established values inherent in the Filipino family system.

All that is said about the Filipino family system can usually be said to a greater or less degree about most family systems in underdeveloped areas; the emphasis is made merely to point up aspects which have significance as part of the cultural base from which economic development must evolve. It should also be noted that these aspects are "superior" values in contemporary Philippine society, "values" which might be weakening in a city like Manila but which, in over-all balance, remain without serious challenge in the nation as a whole. The "superior" values embodied in the Filipino family system are not only traditional; most of the essential elements outlined are given full legal status in the New Civil Code. Article 218 of the Code even goes so far as to state that no customs, practice or agreement which is destructive to the family as an institution shall be recognized or given any effect. One might easily interpret this as a legal rejection of any move toward an industrial society.

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Now let us turn our attention to the goal of rapid economic development or industrialization. As noted above, industrialization involves more than an aggregate increase in the production of goods and services which are susceptible of "economic" measurement. The characteristic organization and forms of production are epitomized by the factory, the market mechanism, functional specialization, double entry bookkeeping, corporate enterprise and contractual rather than traditional relationships. Modern sociological parlance has applied the word gesellschaft describe the orientation of an economically developed society which makes preponderant use of such criteria as efficiency, rationality and productivity. In contrast to this we can place the gemeinschaft or what we might call damay orientation of a society such as that of the Philippines in which blood relationships, tradition and emotional attachment are predominant criteria in both organization forms and in decision making.

Critical questions arise. Is it possible to reconcile the superior "value" of the Filipino family system with the demands of an industrialization program? Is the Filipino family system an adequate instrumentality for mobilizing capital resources? Can we expect the Filipino family system to provide the necessary entrepreneurship for a desirable level of economic development? Or is the lack of individual incentive which results from sharing both losses and rewards of enterprise within the family non-conducive to entrepreneurial innovation? Can industrialization progress on the basis of family obligations in the realm of employment and traditional family authority patterns and status relationships?

There are no simple answers to such questions. But there is little doubt in the writer's mind that the answers require value choice. Retention of the traditional family objectives or, conversely, economic development objectives will be gained at the expense of the Filipino family system. Somewhere along the line there are large areas of mutual exclusiveness.

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Some people consider the problem of conflict between the goal of rapid economic development and existing cultural values as non-existent. Their argument is that all societies have dynamic elements and that the problem will solve itself in time through a series of adaptations to meet specific needs; some people have even argued that the existing Filipino family system is a basic strength and offers a fully adequate point of departure for economic development. Most of these people point to the history of Japanese economic development which suggests that family system adaptations which have significant differences from those of the West meet the problems of industrialization. Even if one accepts this point of view one still has to consider the immediately discernible advantages of the corporate form over the family form of business to see that such adaptations, if they are made, must be substantial. An analysis of this particular aspect of the problem is revealing.

A corporation since it is a legal rather than a human instrument has both flexibility and continuity completely apart from any individual within it. It can buy, sell, sue, be sued, employ and discharge workers, save, invest and spend; it can beget and be begotten. It can do all these on its own terms in the market place. A family business enterprise, on the other hand, engenders constant conflict between business and household obligations and needs. It can buy, sell, sue, invest and spend only in relationship to family conditions. The corporation can measure its actions with the yardstick of efficiency, marginal productivity and profitability. The family enterprise invariably subordinates such criteria to those of family rather than market values.

The corporation can readily adapt itself to internal conflicts by hiring and discharging personnel; the family enterprise is hardly in a position to fire someone from family membership. The corporation can draw on an entire economy for financing in a variety of ways through stock issues, debentures and the similar means. The family enterprise is usually limited to the immediate capital resources of the family itself or the limited external credit that the family credit rating will command. The corporation can make full use of a professional managerial class and narrow specialization. The family enterprise frequently finds it impossible to give status and role to such individuals since they conflict with those of the family.

Perhaps the most important observation to make in regard to the over-all problem of the family role in economic development is that no highly developed area of the world, including Japan, has ever reached its level of development without a primary dependence on the corporate rather than the family form of business organization. The variations in the use of the corporate forms have been tremendous; but the essential elements of limited liability and depersonalization of operations have always been retained.

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The Philippines has given every indication that it wants to industrialize. It has worked out a series of industrialization plans, created numerous government bodies charged with implementing various parts of the plans and has shown great impatience when development has been too slow.

Numerous reasons have been given for the disappointing pace of industrialization so far. "Hard" money policies of the Central Bank, inadequate tariff protection for new industries, shortages of capital and many other reasons have been advanced. But to date, few people have considered the fact that rapid economic development probably required extensive cultural changes undesirable to most Filipinos today. The price of industrialization is primarily cultural rather than monetary—and there is reason to believe that the price is still too high for most Filipinos.

FISHERIES RESEARCH IN MALAYA

What a couple of years ago was a vast stretch of mangrove swamps and wild vegetation at Malacca on Malaya's west coast, this year becomes the world's largest fish culture and research centre. Until recently, as far as the eye could see, there was nothing but palm trees and unproductive vegetation. Today this has all changed. For 162-acres of land has been cleared, almost two hundred ponds of different sizes have been dug, miles of piping laid, bunds constructed against flooding and laboratories built. Financed by the Colonial Development and Welfare fund, this research institute is estimated to have cost $2,160,000 (Malayan). With the modern equipment available, scientists hope shortly to be able to answer such questions as:

What is the best sized pool for fish rearing? What are the best manures? Can a better type of fish be produced for Malayan inland fish breeders? What is the best food for them?

And the answers to some of the questions will not only benefit Malaya but fish breeders in Africa as well as other parts of Asia. A great deal of work has already been done in Malaya in fish research, but the new institute at Malacca will be able to get down to fundamentals and investigate questions that have never been explored before. Malaya has the advantage of being not far from the centre of the world's greatest population increase—one of the reasons why this country was chosen—and consequently anything that bears on food production is bound to be important.

The resultant findings of the six scientists who have come to Malaya, it is certain, will help to increase fish productivity. The institute will also provide training facilities for researchers from other countries. Ponds of four, two, one, half and a quarter of an acre have been built so as to study the effect of the size of ponds on fish growth. German scientists claim that the size of a pond affects growth but the theory has never been tested in Malaya. They will also study the desirable water conditions and the most suitable plankton-growths to feed the fish reared in the ponds. Malacca was chosen as the location for this institute because of its flat terrain and, secondly, because it had a good supply of water within close distance. In addition, there has been no tin mining in Malacca so the soils are chemical-free. The site is near to Malacca Airport and this is a great advantage for fish arriving by air from other countries for the centre will not be subjected to undue risks to their lives through delay in transit. Another consideration which was weighed in the balance is that the new centre is not far from the sea so that, in due course, brackish water-ponds can be built adjacently for experiments on the breeding of fish in sea-water.

The most important ponds are 36 one-acre ponds which will be used by the scientists for their quantitative experiments. This group of ponds are known as Latin Squares by the scientists as each pond bears a letter of the Latin alphabet. To prevent water from overflowing from one pond to another, each separate pond has an automatic gate which closes itself when the channel-water is higher than the water in the pond. This precaution is necessary because the ponds will need to be treated differently. Outlets of the ponds are fitted with planchettes for controlling the height of water and also with screens for holding the fish when the ponds are being drained. Water for the ponds will come from a one-mile long artificial channel, connected to the Malacca river. The channel water will be pumped into an elevated reservoir but it will first pass through a fine screen to remove fish, fish-eggs, frogs and frog-spawn which could upset the quantitative experiments. From the reservoir, water will gravitate through a pipe network to all the ponds. Each pond will also have a hydrant for sprinkling water on the water surface, when the fish get "hysterical"—a term used when there is a deficiency of oxygen in the pond water. It is estimated that the loss of water through evaporation from the whole 162-acre area will be as much as 450,000 gallons a day, but one inch of rainfall will be equivalent to about 4,000,000 gallons.

The institute's headquarters building, housing the laboratories, is a single-storey construction of modern design. The director's staff includes a zoologist, a botanist, a biochemist, a geneticist and physiologist. In this building is also a number of small concrete aquaria filled with rainwater. This rainwater, caught from the institute's roof, runs through a pipe-system to an underground reservoir and from there is pumped to an elevated tank and thence to the aquaria. The ceiling of another room has been fitted with a number of strip-lights in order to stimulate daylight to add to the length of a day by as many hours as desired by the scientists for their experiments. This is to condense the life-span of a fish to enable the scientists to study the normal fish cycle over days instead of weeks. One part of the new research centre is being reserved for padi growing so that experiments can be made on cultivating fish in padi areas. Several fish flourish in padi areas and the scientists hope to compare performances. In another area, guinea grass will be cultivated. This has a good food value and will be used in other experiments.

In Malaya today schemes are being devised for the conversion of miles of mangrove swamps along the coast into money-spinning fish and prawn ponds aimed at providing local housewives with larger quantities of fish at a cheaper price. It is most appropriate, too, that these plans should go hand in hand with research now being conducted at the Malacca institute. For many years this country has had an Institute for Medical Research (into tropical diseases) which has won itself a reputation second-to-none in the world. Now with the opening of the world's largest fish culture and research centre there is every likelihood that more laurels are in store for Malaya.

It is our earnest desire, said a Malayan Minister recently, not only to make strides forward for our own people, by providing them with a more stable diet, but to pass on to other nations any information and help we can so as to assist them. A new field of exploration today lies before the experts at the Malacca centre in their bid, for the first time, to answer so many "fishy questions."

BRITISH COMMUNICATIONS IN MALAYA

In transportation Malaya leads South-East Asia and in many respects surpasses the not-so-well-off European countries. Whatever other legacy Britain has left behind after Malaya became an independent nation (and 90 per cent of Britain's legacies here are those to be proud of) perhaps its supreme one is communications. British skill and engineering "know-how" have built fine highways from Singapore to the Siamese border 600 miles away, linking virtually every important Malayan town; and from east to west across the thickest, steaming jungle in the world. Britain too has laid railway lines throughout the length and breadth of Malaya providing it with a railroad comparable in comfort, although not in speed, with the best anywhere. And this year 20 British-built diesel electric locomotives have come to Malaya for main-line service. These will speed up passenger trains to 60 miles an hour.

Civil airliners now fly from town to town connecting all Malaya.

A little over a decade ago, when the Japanese occupation of Malaya ended, this country's roads and rail services were left in a sorry state. For four years there had been no maintenance done to major highways let alone the feeder roads running from them into the small villages; several hundred miles of railway track had been ripped from the ground and the steel rails and wooden sleepers shipped to Siam and Japan. Rolling stock had been blasted by bombing, rusty dilapidated trucks and coaches lay in sidings unpainted and left to rot. The giant railway workshops on the outskirts of Kuala Lumpur, Malaya's Federal capital, where today 12,000 workmen are employed, were a shell of crumpled, twisted girders after both Japanese and Allied bombing raids.

It was really a re-start from scratch when British engineers returned from the prison camps and others from the armed forces. But, with millions of dollars both from Malaya and Britain, with the sweat and brawn of tens of thousands of workers, Asians and Europeans alike, the big clean-up began. It has taken many years but at last Malaya's house is once more in order. After independence, large numbers of British engineers both in the Public Works Department—men who design bridges, trail blaze new roads and construct reservoirs—and those on the railway, will remain. They stay behind at the request of the Malayan Government, which means the request of the people of this country to continue their training of young Malayans until such time as they are ready for stepping into their shoes.

Said an American visitor to Kuala Lumpur recently: "How wonderful it is to be in a country where, when you turn on a tap there is pure drinking water which does not have to be boiled; where you can touch an electric light switch and the lights come on; in fact, where things you expect to work actually do work." Good metalled roads and clean trains which run to time have made Malaya the envy of its neighbours. The majority of up-and-coming Malayan engineers—whether electrical, mechanical or civil—

have been well trained in Britain or Australia, technical staffs have been taught their skills by expert engineers in this country resulting in there being a great overall pride in their work. Malayans, just as much as their British counterparts, are anxious that there should be no deterioration of standards; no slip-shod workmanship. This is vital to Malaya's future because in some other countries after independence standards have been allowed to slacken leaving in their wake disastrous consequences.

Today there are more than 100 young Malayans overseas studying engineering. Some are studying under Colombo Plan scholarships, others under Malayan Government grants, and some studying privately. This country will need them all and more if the $1,138 million (Malayan) five-year development plan is to be kept to a reasonable schedule. In the days to come, they will be working with Britons as partners relying on the guidance and counsel of their friends from Europe.

For anyone who has never been to Malaya it is difficult to realise the warmth and friendliness that exists between the Malays and the British. Of course, some politicians have talked about "imperialists" and "colonial regime" and other stock phrases. But, no Malay really takes them seriously. Nowhere throughout Malaya has there been even the slightest suggestion of any anti-ness towards Britons living here or those in Britain. In fact, just the opposite has been the case. Malaya's popular Chief Minister, Tengku Abdul Rahman, has said time and again with great sincerity: "We want so many of our British officers to remain with us, although they must rightly be given the choice to leave if they so wish." The majority, however, have elected to stay on, firstly because they are happy in this country, and, secondly, because of their desire to do whatever they can to see that Malaya gets away to a good start after independence.

Malayans are today telling their European friends, "Now look, you mustn't go . . . we want you to stay and we mean that!" Tengku Abdul Rahman, addressing an open air mass meeting in Kuala Lumpur, said recently: "Britain will find Malaya her best friend in the years to come." On the other side of the ledger, Britain will never let Malaya and the Malays down.

HONGKONG'S TRADE IN WATCHES

By Tam Woon Man and Tam Wah Kai

Since the end of the Second World War there has been a remarkable expansion in the Colony's trade in watches. The number of dealers and agents has greatly increased and at present there are over 600 firms engaged in this line of trade. This expansion was particularly noticeable in 1948-1952 when profits were calculated at 50% of cost price and sometimes even higher. The demand for watches was then so great that the supply to retailers had to be rationed by the wholesale agents. The reasons for this prosperity were, chiefly, the demand for easily carried valuables on the part of immigrants from China and the growing demand for watches in various Far Eastern countries which found purchases through Hongkong both easy and cheap.

However, from 1952 onwards this trade began to decline and profit margins were drastically reduced. Local demand had stabilised itself and many importing countries established direct contacts with the manufacturers. Moreover, competition became much keener because of the many new brands introduced while purchasers became more fastidious. Some dealers nowadays claim that they are running their businesses at a loss. It appears, however, that in 1956 both import and export of watches increased. The following table shows the volume and value of the Colony's trade in watches in 1953-1956:

Entrepot Trade in Watches, 1953-1956

Year	Import		Export	
	Quantity (million units)	Value HK$ million	Quantity (million units)	Value HK$ million
1953	2.7	96.4	0.8	32.5
1954	2.4	85.1	0.2	6.9
1955	2.0	76.5	0.3	11.1
1956	3.0	118.7	0.5	17.0

Source: Hongkong Trade Statistics.

Watches are imported into Hongkong chiefly from Switzerland. In 1956 imports from this country amounted to 95% of the total. The other two major suppliers were Germany (about 2% of the total) and United States (1.5% of the total). As far as re-exports are concerned, in 1956 about 45% was sold in Malaya, 22% in China (excluding Formosa), 9% in Indochina and 8% in the U.S. Oceania. Total re-exports in 1956 constituted about 1/6 of the imports, the remaining 5/6 being sold in Hongkong either to the local population or to tourists. The relatively low re-exports ratio could be explained by smuggling into various high import-duty countries.

Watches are normally imported and exported by air; sea-transport is seldom used. For exchange control reasons the Government imposed in 1953-1954 some limitation on the import of Swiss watches. The annual allocation had to be based on the exchange application figure of the previous year. This restriction was soon removed and since then the trade in watches has been completely free.

Watches imported into the Colony can be classified into the following five categories: (i) Super-precision lever; (ii) Lever; (iii) Pin-level; (iv) Roskop and (v) Cylinder. Of these five types, the lever and the pin-lever watches enjoy the best market. Their prices fluctuate around HK$100 and are mostly bought by the middle-class customers. The roskop and the cylinder-type watches are cheaper. They are regarded as old fashioned and mechanically obsolete. Their prices are normally below HK$70 and they are mainly bought by comparatively poor people. The super-precision lever watches are usually imported on special orders and have a wide range of prices, beginning from about HK$200 upwards. Watches of this grade are mostly bought by tourists. On the whole, local customers are more interested in the style and external appearance of the watches than in the inner mechanism.

Since there is keen competition in the watch trade, advertising is widely used. Usually one of the following four ways of paying for advertising is adopted:

(i) Expenses are covered wholly by the manufacturer.

(ii) Both the agent and the manufacturer are each responsible for one half of advertising expenses.

Editorial Note: The authors of this article are students in the University of Hongkong. The article was prepared under the supervision of Mr. E. F. Szczepanik, Senior Lecturer in Economics, HKU.

(iii) The manufacturer gives 5% or some other fixed percentage of the total shipment value as advertising allowance.

(iv) The agent is solely responsible for the total expenditure on advertising.

Most dealers nowadays do not keep large stocks of watches since new styles constantly appear on the market. The launching of these new brands and styles involves normally an expensive advertising campaign. In connection with this, it is interesting to note that Hongkong watch dealers recently organised an exhibition which presumably reduced the joint cost of sales promotion, particularly as far as foreign wholesalers are concerned. It seems that this method of advertising could profitably be employed also in other lines of the Colony's entrepot trade.

THE TRANSPORT EQUIPMENT INDUSTRY IN HONGKONG

By Hui Kin Fun

The local transport equipment industry has for a long time occupied a significant place and its development has been facilitated by the geographical position of the Colony, its status as a free port, political stability, and excellent banking and insurance services. The industry includes:—(1) Ship building and repairing; (2) Railway and tram construction and repairing; (3) Repair of motor vehicles and cycles; (4) Aircraft maintenance and overhauling.

1. Ship Building and Repairing

Ship building is one of the oldest industries here. It owes its existence to the splendid harbour and inexpensive port facilities which made many international shipping lines to choose Hongkong as terminal port. The shipbuilding and repair yards suffered extensive damage during the Japanese occupation; machinery was in many cases removed and could not be recovered. Soon after the war, progress was made towards rehabilitation and today Hongkong caters for repair and overhaul to ships of large tonnage and builds vessels up to 10,000 tons. Raw materials (steel, iron, timber, brass, equipment like cranes, diesel machinery, tools) are chiefly imported from the United Kingdom.

There are 20 shipbuilding and repairing establishments here, employing 7,000 workers who are organized in the following trade unions:—(1) Hongkong and Whampoa Dock Free Workers Union, established in 1952, with a membership of 287 persons. (2) Taikoo Dockyard Chinese Workers' Union, established in 1948 with a membership of 1238 persons. (3) Hongkong and Kowloon Shipbuilders' and Repairs' General Labour Union, established in 1948 with a membership of 389 persons. (4) Hongkong and Kowloon Dockyards and Wharves Carpenters' General Union, established in 1948 with a membership of 422 persons. (5) Kowloon Dock Workers Amalgamated Union, established in 1948 with a membership of 1,034 persons. (6) Hongkong Ship Carpenters Union, with a membership of 130 persons. (7) Kowloon Docks Chinese Employees Association, with a membership of 54 persons. (8) Cosmopolitan Dock Employees' Association, with a membership of 156 persons. (9) "Sai Yee" Junk Builders' Association, established in 1948 with a membership of 949 persons.

The two main dockyards are the Hongkong and Whampoa Dock Company and the Taikoo Dockyard and Engineering Company which together are capable of producing 80,000 tons of new vessels a year. Vessels up to 500 feet in length can be accommodated in their building berths.

The Hongkong and Whampoa Dock Company, Ltd. owns and operates five dry docks, of which the largest is 700 feet in length from the cuisson to the dock end, 127 feet in breadth at the top and 88 feet in breadth at the bottom on the keel blocks. The smallest is 270 feet in length, 61 feet in breadth at the top and 38 feet in breadth at the bottom on the keel blocks. In addition, there are two slip-ways capable of accommodating vessels of 240 feet and 75 feet in length respectively. Dry docks and workshops are inter-connected by roadways and railways and handling facilities include an electric cantilever crane lifting 100 tons at a radius of 70 feet with a clearance of 134 feet under the jib at zero tide. In addition to these, there are four electric cantilever cranes capable of 40 ton lifts and one with a 10 ton lift as well as smaller mobile cranes and overhead cranes in the workshop up to 50 tons capacity.

The blacksmith's shop and forge are well furnished with powerful steam hammers and cranes and can forge stern posts of the largest size and crankshafts up to 18 inches diameter. Forgings can be produced up to 20 tons in weight. Castings of all types can be made in the steel, iron and brass foundries for the construction or repair of steam and diesel machinery and the boilermaker's shop with its 50 ton overhead cranes in the machine shop which is equipped with all types of modern machine tools.

In addition to a large engine shop, there is a separate erecting shop adjacent to the 100 ton cantilever crane. Both these shops have 25 ton overhead cranes. The well-appointed electrical department can undertake electrical repairs of all types including the rewinding of large motors.

The Company carries large and varied stocks of steel plate and sections and can undertake major hull repairs at short notice. Adequate stocks of timber of all kinds are also carried and a modern sawmill and joiner shop is maintained in addition to shops for welders, coppersmiths, tinsmiths, plumbers, pattern-makers and brass finishes. Extensive stocks of all materials used in ship and engine building and repair are accommodated in a large building near the docks and workshops. Fresh water, steam of 80 to 100 lbs pressure and compressed air can be supplied, to any of the docks. Electric power alternating or direct current is also available.

The Company's largest tug, "H. W. D. Pauline" of 1,200 I. H. P. is equipped for deep-sea towing. Three other seagoing tugs are maintained as well as an electric welding launch and six steam and diesel launches for harbour repairs.

The author of this article is a student in the Department of Economics and Political Science, University of Hongkong. He had at his disposal material collected by Miss Alice Lo whose help is gratefully acknowledged. The article was prepared under the supervision of Mr. E. F. Szczepanik, Lecturer in Economics, University of Hongkong. (Editor's Note.)

The labour force consists of 4,000 men including skilled artisans in all trades supervised and controlled by a large European executive and administrative staff with expert technicians in all departments.

The construction of new vessels has been limited in postwar years by the difficulty of obtaining steel but the Company has completed a number of small vessels for local waters. Since the establishment of the Company over 900 vessels have been built ranging from small craft to passenger and cargo vessels up to 450 feet in length and 10,000 tons dead weight. During the past year over 300 vessels have been drydocked with an aggregate of over 800,000 gross tons and in addition repairs have been carried out on some 400 other vessels alongside the wharves and seawalls or at another in the harbour. Besides its principal business of shipbuilding and repair, the Company is also in a position to carry out general engineering and manufacture of engines, pumps, castings, forgings, the prefabrication of structural steel, the construction of oil storage tanks, erection of railways rolling stock, pumping and pipe work, electrical work, the manufacture of furniture etc.

The Taikoo Dockyard and Engineering Company are ship and engine builders and repairers; their shops, docks, slipways and building berths cover an area of 65 acres. Workshops are fully equipped for the building and repairing of reciprocating, turbine and diesel machinery and licences are held for the building of Taikoo-Sulza and Taikoo-Doxford Diesel Engines and for Brown Curtis and Parson Turbines.

The dry dock is 787 feet in extreme length with blocks 750 feet in length and 4 feet 6 inches high. The entrance top is 93 feet 5 inches and the bottom is 88 feet 7 inches. The depth of water over the sill which is in line with the top of the block is 34 feet 6 inches at H. W. O. S. T.

There are four building berths of which two are capable of taking ships 500 feet long and two 280 feet long. These are served by 20 tons electrical monotower cranes. Iron and non-ferrous casting up to 25 tons and all types of heavy and light forgings can be made. The electric shops are equipped to carry out the installation and repair of marine electrical machinery of any size and of electrical instruments of all kinds. Current is available for ships at 110 volts, 350 volts, and 400 volts A.C. The machine shops contain modern machine tools capable of all classes of heavy and precision work including the balance of turbine rotors up to 7 tons weight. The boiler shop is fully equipped for extensive repairs to Scotch and Water type boilers and the largest size Scotch boilers can be built. Electric arc and oxy-acetylene welding, oxy-acetylene cutting including underwater work can be undertaken as well as major repairs to ships' sanitary system, refrigerating pipes and all forms of piping work in steel or copper. Tanks, containers and pipes can be galvanised by the hot process or sand blasted and metal sprayed by the powder process.

A Titan crane of 150 tons lifting capacity at a radius of 85 feet is installed at the seawall and there are in addition one 30 ton, one 25 ton, and one 10 ton high gantry electric travelling cranes serving the seawall and dry dock. A crane barge is available with sheerlegs lift of 40 tons. All workshops are fitted with overhead cranes with capabilities from 5 to 100 tons.

A large force of skilled workers controlled by European supervisors is always available and considerable stocks of all types of marine and engine requirements are maintained. Berthing facilities are available for the largest vessels. In addition to marine work the Dockyard undertakes general civil engineering and construction work.

Besides these two large companies, there is a number of smaller shipbuilding and repairing yards capable of assembling, building and repairing ferries, tugs, lighters, launches and wooden and steel small crafts of all description. Some boatyards specialise in the building of ships' liftboats and yachts as well as native type craft. There are a few smaller establishments capable of shipbuilding and carrying out repairs to hull and machinery to vessels up to about 200 feet in length, as well as about 200 other establishments which build and repair the numerous native junks and boats.

In spite of restrictions on trade with the mainland of China, and a contraction of world trade at present, new construction work continues at a fair level, with orders for service craft of various types in hand for Siam, Borneo, South Korea and the Philippines. In the smaller yards, maintenance and repair works bring good profit.

2. Railway and Tram Construction and Repairing

(a) Railway

Kowloon is the southern terminal of a railway system to Hankow and Shanghai with connection from these cities to North China. The British section of the line, which is owned and operated by the Government of Hongkong, runs between Kowloon and the frontier, a distance of 22 miles. There are good terminal facilities and accommodation at Kowloon and the railway is linked by rail connections to Holt's Wharf and the Kowloon Wharf and Godown Company. There is also a rail link from the railway workshops into the Hongkong and Whampoa Dock Company with access to the Dock Company's 100 ton crane. In addition, there are 10 miles aidings between Kowloon and Hung Hom where the workshops are situated.

The workshops have suffered heavily by looting and damage during the war but rehabilitation was rapid and is now completed. The workshops are well equipped and capable of carrying out all railway repairs. There are 62 modern tools, such as lathes, drilling machines, vertical and horizontal boring mills, sharpers, slatters, planing machines up to 18 feet, milling machines, etc., all of which are individually driven. Oxy-acetylene welding cutting and electric welding are extensively used in the shops. The machinery is chiefly imported from the United Kingdom. Considerable technical and mechanical work is carried out for other Government departments. As a consequence of the travel restrictions now in force between the Colony and China, the present volume of work is reduced. It is hoped that the present improvement of relations between the two countries will facilitate its expansion.

The employees of the Railway belong to the Kowloon-Canton Railway Workers' Union which was established in 1949 and has now 209 members.

(b) Tramways

The electric tramway service is operated by the Hongkong Tramways Ltd. with its workshop attached. The track which is 19½ miles in length is single track. There are 140 cars in operation maintained and managed by 1,622 workers. With the increase in population, the traffic is constantly increasing and as a result there is a greater demand for tramway transport equipment and repairs. During 1950 and 1951, the Company replaced its former wooden cars with new cars of improved design and all-metal construction. These cars are lighter and stronger than the old ones, and are capable of carrying more passengers.

Tramway workers belong to two trade unions:— (1) Hongkong Tramway Workers' Union, established in 1948 by the left-wing workers; its membership is 1,536 persons. (2) Victoria Tramways Free Workers' Union, established in

(Continued on Page 384)

HONGKONG'S PRINCIPAL IMPORTS IN 1956

PART VII

Item, Unit and Country from which Imported	Quantity	H.K.$
Iron and steel blackplate, under 28 gauge .... Cwt.	**338,765**	**12,929,438**
United Kingdom	102,512	3,600,845
Canada	6,984	285,090
U.S.A.	182,347	7,117,296
Japan	1,299	68,312
Macao	536	23,730
Belgium	31,757	1,251,782
Netherlands	13,330	582,383
Iron and steel blackplate, 28 gauge and over .... Cwt.	**668,390**	**25,134,146**
United Kingdom	164,968	5,577,779
Canada	31,709	1,306,994
U.S.A.	402,036	15,949,472
Japan	1,286	45,017
Macao	95	4,000
Belgium	21,567	600,444
France	99	4,600
Germany (Western)	18,431	442,232
Netherlands	28,199	1,203,608
Other mild steel plates and sheets, uncoated, under ⅛" thick Cwt.	**107,997**	**4,097,108**
United Kingdom	37,700	1,234,696
U.S.A.	357	13,680
Japan	11,096	551,740
Macao	2,033	87,200
Belgium	52,213	2,036,656
France	1,558	53,944
Netherlands	3,040	119,192
Other mild steel plates and sheets, uncoated, ⅛" thick and over .... Cwt.	**622,864**	**25,346,572**
United Kingdom	180,976	6,443,115
Australia	511	18,665
Malaya	9,200	519,960
U.S.A.	729	31,622
Japan	180,929	9,458,043
Belgium	165,925	6,309,039
France	7,844	365,358
Germany (Western)	63,142	1,857,243
Netherlands	13,608	343,527
Tinplate waste or waste-waste Cwt.	**162,944**	**7,054,438**
United Kingdom	73,719	3,129,329
Canada	27,204	1,281,630
U.S.A.	62,021	2,643,479
Plates and sheets, zinc coated (galvanized) .... Cwt.	**865,410**	**59,449,719**
United Kingdom	26,699	1,413,952
Canada	626	28,475
U.S.A.	500	28,166
Japan	785,096	54,623,478
Belgium	48,822	3,074,635
France	3,032	244,618
Germany (Western)	635	36,395
Iron and steel wire rods, coated or not .... Cwt.	**106,186**	**3,396,398**
United Kingdom	46,016	1,227,733
Japan	24,954	874,634
Macao	214	6,300
Belgium	31,970	1,189,345
France	2,086	69,115
Germany (Western)	946	29,271
Iron and steel wire, not barbed, coated or not .... Cwt.	**193,621**	**7,100,666**
United Kingdom	46,717	1,545,723
Canada	25	26,444
Malaya	513	19,822
U.S.A.	1,486	94,784
China	54,535	2,075,085
Japan	9,073	584,560
Macao	425	20,200
Belgium	45,864	1,500,692
France	12,800	419,608
Germany (Western)	6,349	282,843
Netherlands	2,940	104,533
Sweden	4	4,044
Eastern Europe	12,890	422,328
Steel tubes and fittings, welded or drawn .... Cwt.	**153,648**	**9,926,439**
United Kingdom	86,695	5,494,301
Malaya	7	1,506
U.S.A.	289	24,707
Japan	17,156	1,474,859
Macao	6,296	324,409
Belgium	15,478	944,938
France	1,888	118,820
Germany (Western)	8,538	573,141
Italy	2,011	83,617
Netherlands	15,272	877,065
Sweden	18	9,076
Pipes and fittings, cast, whether gray iron or malleable iron .... Cwt.	**82,659**	**3,987,880**
United Kingdom	81,631	3,906,321
South Africa	5	200
Japan	508	49,579
Germany (Western)	492	28,496
Sweden	23	3,284
Brass and bronze plates and sheets, wrought .... Cwt.	**54,946**	**15,944,052**
United Kingdom	45,637	13,341,155
Australia	3,502	828,536
Canada	1,811	570,096
India	24	6,444
Japan	2,959	893,960
Germany (Western)	329	95,657
Italy	684	208,204
Brass and bronze bars, rods, castings and forgings, wrought .... Cwt.	**38,902**	**9,287,529**
United Kingdom	8,850	2,559,791
Australia	16,907	3,411,058
New Zealand	3,236	725,865
Japan	6,397	1,717,396
Belgium	2,264	592,447
Germany (Western)	1,248	280,972
Aluminium and aluminium alloys, unwrought ...... Cwt.	**25,871**	**4,156,208**
United Kingdom	163	28,212
Canada	20,391	3,250,807
Formosa (Taiwan)	5,316	876,965
Netherlands	1	224

Item, Unit and Country from which Imported	Quantity	H.K.$
Aluminium plates and sheets (wrought) Cwt.	**41,129**	**9,017,348**
United Kingdom	10,363	2,313,697
Canada	142	49,500
Formosa	102	19,409
Japan	29,563	6,426,559
Austria	789	171,140
Belgium	1	165
Germany (Western)	169	36,878
Aluminium foil Cwt.	**7,231**	**1,999,679**
United Kingdom	120	52,858
India	40	4,530
Malaya	47	10,612
U.S.A.	9	2,743
Japan	413	114,964
Austria	277	68,345
France	166	75,895
Germany (Western)	2,031	693,526
Netherlands	4,114	970,223
Switzerland	14	5,983
Zinc plates and sheets (wrought) Cwt.	**20,493**	**2,092,504**
United Kingdom	740	78,657
Australia	212	33,195
U.S.A.	74	15,167
Macao	30	2,250
Belgium	11,612	1,138,707
Germany (Western)	990	132,475
Netherlands	1,835	194,182
Eastern Europe	5,000	497,871
Tin ingots Cwt.	**2,842**	**1,760,201**
United Kingdom	10	7,209
Malaya	2,832	1,752,992
Firearms other than firearms of war (but including revolvers and pistols), sidearms	**—**	**21,394**
United Kingdom	—	10,234
U.S.A.	—	6,050
Finland	—	2,060
Switzerland	—	3,050
Internal combustion engines, marine (including diesel and semi-diesel engines), not over 200 brake horse power	**—**	**6,544,343**
United Kingdom	—	3,636,298
Canada	—	282,673
Malaya	—	126,666
U.S.A.	—	386,291
Japan	—	897,933
Macao	—	22,000
Belgium	—	3,680
Denmark	—	470,488
Germany (Western)	—	556,252
Italy	—	3,539
Netherlands	—	83,496
Sweden	—	73,283
Eastern Europe	—	1,744
Internal combustion engines, marine (including diesel and semi-diesel engines), over 200 brake horse power	**—**	**2,386,900**
United Kingdom	—	1,395,498
Malaya	—	2,174
U.S.A.	—	128,568
Japan	—	90,427
Philippines	—	5,000
Germany (Western)	—	765,233
Typewriters and parts	**—**	**2,980,742**
United Kingdom	—	194,555
Canada	—	800
U.S.A.	—	1,378,577
China	—	48,068
Japan	—	11,180
Macao	—	3,150
Philippines	—	350
France	—	243
Germany (Western)	—	670,479
Italy	—	174,617
Netherlands	—	28,402
Sweden	—	149,000
Switzerland	—	230,983
Eastern Europe	—	90,338
Accounting, book-keeping, calculating and other office machines, and cash registers	**—**	**2,449,536**
United Kingdom	—	319,973
Canada	—	2,125
Malaya	—	16,395
U.S.A.	—	1,193,176
China	—	109,811
Japan	—	56,604
Macao	—	400
Austria	—	4,734
France	—	2,258
Germany (Western)	—	284,260
Italy	—	80,401
Netherlands	—	137,048
Norway	—	1,932
Sweden	—	209,444
Switzerland	—	29,525
Eastern Europe	—	1,450
Textile machinery and accessories	**—**	**20,482,312**
United Kingdom	—	5,637,977
Malaya	—	3,000
U.S.A.	—	1,026,108
China	—	151,559
Japan	—	12,812,046
Macao	—	985
Denmark	—	1,901
France	—	26,570
Germany (Western)	—	505,264
Netherlands	—	10,192
Sweden	—	91,800
Switzerland	—	214,910
Sewing machines, industrial and household, and accessories	**—**	**24,913,678**
United Kingdom	—	4,185,126
Australia	—	15,484
Malaya	—	177,093
U.S.A.	—	2,034,023
China	—	3,904,844
Japan	—	13,104,827
Macao	—	9,800
Belgium	—	2,845
Germany (Western)	—	765,964
Italy	—	79,054
Netherlands	—	1,360
Sweden	—	10,125
Switzerland	—	612,347
Eastern Europe	—	10,786

(To be Continued)

FINANCE & COMMERCE

HK EXCHANGE MARKETS

U.S.$

Sept.	T.T. High	T.T. Low	Notes High	Notes Low
9	Holiday			
10	$601½	600	599⅞	598⅛
11	601	600	599⅝	597⅞
12	601	600	599⅜	598½
13	601	600	599½	598¼
14	600½	600¼	598½	597¾

D.D. rates: High 599¾ Low 597¾.

Trading totals: T.T. US$3,350,000; Notes cash US$495,000, forward US$2,230,000; D.D. US$420,000. The market was very quiet and fluctuations narrow. In the T.T. sector, gold importers continued to absorb offers from Japan, Korea, and the Philippines. In the Notes market, speculators were idle. Interest favoured sellers and aggregated HK$17.20 per US$1,000. Positions taken by speculators averaged US$2 million per day. In the D.D. sector, business declined.

Far Eastern Exchange: Highest and lowest rates per foreign currency unit in HK$: Philippines 1.7425—1.735, Japan 0.01415—0.014025, Malaya 1.873, Vietnam 0.06622, Laos 0.072, Cambodia 0.072, Thailand 0.284—0.2832. Sales: Pesos 350,000, Yen 101 million, Malayan $340,000, Piastre 8 million, Kip 4 million, Rial 4 million, and Baht 2 million. **Chinese Exchange:** People's Yuan Notes quoted HK$1.41—1.32 per Yuan. Taiwan Dollar Notes quoted HK$0.164—0.163 per Dollar, and remittances 0.155—0.152.

Bank Notes: Highest and lowest rates per foreign currency unit in HK$: England 15.70—15.67, Scotland and Ireland 14.00, Australia 12.40—12.32, New Zealand 14.20, Egypt 11.00, East Africa 14.75, South Africa 15.60, West Africa 13.50, Jamaica 14.00, Fiji 10.00, Malta 12.00, India 1.1765—1.176, Pakistan 0.80, Ceylon 0.995—0.9925, Burma 0.52, Malaya 1.836—1.827, Canada 6.23—6.165, Cuba 5.50, Argentina 0.135, Brazil 0.075, Philippines 1.77—1.7525, Switzerland 1.38—1.37, West Germany 1.38—1.37, Italy 0.0093—0.00925, Belgium 0.112, Sweden 1.02, Norway 0.72, Denmark 0.77, Netherlands 1.54, France 0.01305—0.0128, Vietnam 0.072—0.0695, Laos 0.073—0.07, Cambodia 0.072, North Borneo 1.60, Indonesia 0.123—0.116, Thailand 0.274—0.271, Macau 1.035—1.03, Japan 0.015—0.0148.

Gold Market

Sept.	High .945	Low .945	Macau .99
9	Holiday		
10	$263⅛	261¼	Low 272
11	263¼	262	272⅝ High
12	262¾	262¼	
13	262⅝	262¼	
14	262⅝	262⅛	

HK SHARE MARKET

Yaumatis remained weak on account of the cross-harbour bridge project while Cements dipped further because export of Green Island products declined under keen competition from Japanese and Chinese brands. Towards weekend however Yaumatis recovered to $103 but Cements continued to fall and closed at $29.80, lowest since 1955. Docks which had reached 1957 record high of $54.50 during the previous week, on the rumoured sale of the company's Mongkok property, bounced back to $52 although sellers wanted $55; closed firm at $53.50.

Utilities retained strong demand throughout the week and with the exception of Electrics which lost 20 cents, prices were steady to firm. Amal Rubbers, Lands and Wheelocks registered heavy sales and slight gains. On the other hand, HK Banks, Union Ins, Hotels, Watsons, HK & FE Inv and Textiles closed fractionally lower than previous week.

Turnover during the 3½-day week amounted to a little over $2.5 million: Monday, holiday; Tuesday, $588,000; Wednesday, $572,000; Thursday, $1,012,000; Friday, $481,000.

A. R. Burkill & Sons (HK) Ltd. announced that rubber output from Amalgamated Rubber Estates Limited during August 1957 amounted to 653,024 lbs.

Share	Sept. 6	Last Week's Rate Highest	Lowest	Closing	Up & Down	Dividend	Estimated Annual Yield (%)
HK Bank	870	870	860	860	—$10	$50	5.81
Union Ins.	91	91 n	90	90.50 b	—50c	$3.40	3.76
Lombard	34.75 n	34.75 n	34.75 b	34.75 b	steady	$2	5.76
Wheelock	7.75	7.85	7.80	7.80	+ 5c	75c	9.62
HK Wharf	123	124 s	122	123 s	steady	$6	4.88
HK Dock	54	55 s	52	53.50	—50c	$2	3.74
Provident	12.10	12.10	12	12.10	steady	$1	8.26
HK Land	36.25	36.50	36.25	XD 35.25	— 20c	$3.50	9.93
Realty	1.50	1.50	1.475	1.50	steady	15c	10.00
Hotel	15.40	15.30	15.20	15.20	—20c	$1	6.58
Trams	23.20	23.30	23.20	23.30	—10c	$1.70	7.30
Star Ferry	131 n	134 s	131 n	131 n	steady	$9	6.87
Yaumati	103	103	102	103	steady	$7.50	7.28
Light	18.80	18.80	18.70	18.80	steady	$1.10	5.85
Electric	29	28.90	28.70	28.80	—20c	$1.80	6.25
Telephone	27.70 b	27.90	27.70	27.80	+ 10c	$1.50	5.40
Cement	31.50	31.25	29.80	29.80	—$1.70	$4	13.42
Dairy Farm	15.60 b	15.70	15.60	15.60	steady	$1.63	10.45
Watson	12.60	12.60	12.50	12.50	—10c	$1	8.00
Yangtsze	6.60 s	6.60 s	6.60 s	6.60 s	steady	70c	10.61
Allied Inv.	4.25 s	4.225	4.20	4.225	steady	25c	5.92
HK & FE Inv.	9.90 n	9.90 n	9.80 b	9.80	—10c	80c	8.16
Amal. Rubber	1.50	1.525	1.525	1.525	+ 2½c	28c	18.36
Textile	4.50	4.525 s	4.475	4.475 n	—2½c	50c	11.17
Nanyang	9.80	9.90 s	9.80 n	9.90 s	firm	$1	10.10

Opening and closing prices were 261⅜ and 262½, and highest and lowest 263¼ and 261¼. The market was very quiet. Interest favoured sellers and aggregated HK$4.35 per 10 taels of .945 fine. Tradings averaged only 6,100 taels per day and totalled 30,500 taels for the week, in which 12,700 taels were cash dealings (3,300 taels listed and 9,400 taels arranged). Speculative positions averaged 14,200 taels per day. Imports from Macau amounted to 9,500 taels. Exports totalled 11,000 taels (7,500 taels to Singapore, 2,500 taels to Indonesia, and 1,000 taels to India). Differences paid for local and Macau .99 fine were HK$12.70—12.60 and 11.70 respectively per tael of .945 fine. Cross rates were US$37.80—37.78 per fine ounce; 48,000 fine ounces contracted at 37.78 cif Macau. US double eagle old and new coins quoted HK$273—272 and 230—229 respectively per coin, English Sovereigns HK$58 per coin, and Mexican gold coins HK$280—279 per coin. **Silver Market:** 300 taels of bar silver traded at HK$5.75 per tael and 400 dollar coins at HK$3.65 per coin. Twenty-cent silver coins quoted HK$2.80 per five coins.

Money Market: The money market was easy; bank deposits increased. Banks are now reluctant to grant loans on mortgage but extend freely credits against merchandise. Interest rates are now: Letters of Credit, 6% p.a.; short term loans, 7% to 9% p.a.; mortgages, 10% to 12% p.a. Interest rates of Chinese native banks and private parties are higher: short term credits, 8% to 10% p.a.; mortgages, 12% to 15% p.a.

SINGAPORE SHARES

The buying spree in Malayan markets is a thing of the past. Many stocks have been back-pedalling, with interest at a fairly low ebb. However, despite the general downward trend, partly attributable to the lower Rubber price, selective demand for Industrials, Tins and Rubbers continued during the week ended September 6, 1957.

Fraser & Neave came in for a fair amount of attention up to $2.90 and Malayan Breweries reached a new peak at $3.92½. Gammons had buyers at $2.52½ and Metal Box wanted at $2.05. McAlisters slipped to $2.00 in the belief that there would not be an increase in distribution. Straits Times were on tap at $4.07½ and United Engineers at $1.40.. Robinson & Co. announced a 14% final to make 20% for the year. This counter had been the subject of some speculation, and the 2% increase in the total distribution disappointed state bulls, who in their rush to liquidate forced the price down to $2.10 cum 14%.

The bulk of the demand was confined mainly to Petalings, Austral Amalgamated, Berjuntai and Kuala Kampar, and of Sterling tins.

With a lower commodity price rubber shares were dull and sellers predominated. Price falls were greater among London registered shares. At the lower levels, there was good demand for F.M.S. and Ledang Bahru and for Ayer Panas, Connemara and Kempas.

Loans remained inactive.

TRADE REPORTS

There was encouraging improvement in export to Korea, Thailand and other SE Asian countries last fortnight. In the local commodity market, transactions in paper were very active with Korea remaining the number one customer. Metals retained selective demand from China and SE Asia because prices here for most items were still lower than new indents. Trading in produce limited to small quantities of oilseeds and other staples of SE Asian origin because supply from China was not substantial enough to fulfil orders from Japan, Europe and other buyers. Pharmaceuticals and chemicals enjoyed better demand from Korea and Taiwan but interest was centred on a few items only. Cotton yarn was active on orders from SE Asia but piecegoods were quiet. Cement retained strong local and export demand but keen competition between Chinese and Japanese products kept prices at a low level. Rice quotations declined from recent hike while prices for sugar and wheat flour dipped under heavy supply.

Expansion of China Trade—Committees and delegations, official and semi-official from various countries, have been swarming to Peking since the relaxation of trade restrictions last May. The outlook seems promising. China, on account of the restrictions imposed after the Korean war, had accumulated a large trade surplus with the sterling area. Her visible surplus —most of which accounted for by HK —rose from £7 million in 1952 to about £100 m. by end of July 1957. Some of her holdings were liquidated during the Suez crisis but, at present, Peking still has a very large sterling surplus on hand to pay for imports from the West. Businessmen in UK are considering to hold a British Trade Fair in China and send one or more trade missions to Peking. The British Parliamentary Secretary to the Board of Trade is planning to visit China and talk with Chinese officials on the possibility of increasing trade between the two countries. Businessmen and trade officials in HK concede that the visit is timely from the point of view of a necessary first-hand assessment of China's actual buying potential; reports reaching here from Canton indicate that China's agricultural programmes have not been very successful and that her purchasing power is very much limited by increasing domestic consumption of foodstuffs and other industrial crops. However everybody agrees that at the initial stage the volume of China's trade with the West will increase (on account of the sterling surplus Peking has now on hand) although the improvement might not be very impressive and HK might be bypassed by China in her direct trade with manufacturing countries.

From Japan, China bought 5,000 tons of silicon steel plates and 243 tons of pascalcium, a new TB drug. In Peking, the visiting Japanese businessmen concluded the purchase of 400,000 tons of coal after more than two months' negotiation; total amount of the contract is about £1.4 million.

A French economic mission is now in China studying the possibility of giving China technical assistance, particularly in the building of railways, coal mines and power dams. In Lyons, a Chinese silk delegation is promoting export of Chinese raw silk to France. Four Chinese experts on water conservancy and power dam construction are now touring French achievements in the field.

In Peking, members of a West German trade delegation are discussing with Chinese officials ways and means to increase direct trade between the two countries. At present, 70% of China's exports to and 50% of imports from West Germany pass through other countries; HK is sharing a considerable volume of this entrepot business.

From Ceylon, China finally bought 30,000 tons of sheet rubber to be delivered over a one-year period beginning next month and in return sold 200,000 tons of rice. The rubber will be supplied at prevailing world market prices but China will pay Ceylon a grant of 20 million rupees (about £2.3 m) to aid Ceylon's rubber rehabilitation plan.

HK/China Trade—China bought more steel products from here because quotations for most items were below new indents. To the local market, China shipped small quantities of bristle, beans, paper, tea, window glass, wire nails and cement in addition to large consignments of foodstuffs including live hogs, frozen meat, poultry, fruits, vegetables, canned food, eggs and sundry provisions. Many local businessmen received invitations from Canton to attend the second Export Commodity Fair to be held there next month.

HK/Japan Trade—Exports to Japan slightly improved; in addition to 8,500 tons of iron ore, local traders shipped there about 1,500 tons of scrap iron, beans, cow hide, and other produce. During the fortnight, 18 vessels brought here 9,000 tons of Japanese merchandise; cement constituted about 50% of the tonnage. Dealers here booked replenishments of paper and sundries from Japan on account of improved demand from SE Asia; quantities small because indents too high.

HK/UK and HK/Europe Trade—Woollen piecegoods and yarn; winter goods such as blankets, sweaters, scarves; building materials and equipment including structural steels, lifts, window glass, electric fittings; provisions and cosmetics constituted the major portion of about 12,000 tons of imports—9,000 tons from UK and 3,000 tons from Europe. Exports to UK totalled about 4,000 tons and to Europe 1,500 tons; HK manufactures (gloves, cotton textiles, rubber shoes, toys, shirts) made up the major portion of these consignments.

HK manufacturers will participate in the coming Toy Fair at Harrogate, Yorkshire. The HK Pavilion at the Frankfurt International Trade Fair was such a success that orders for HK products to the value of several hundred thousand pounds sterling are likely to result according to a report from London. European buyers showed keen interest in practically all lines of HK goods (300 items by 70 HK firms). Interest was particularly keen on cotton and silk textiles, shirts, gloves, napery, footwear, torches, rattan ware, children's garments, embroidered slippers and shoes, beaded work, teakwood furniture, parasols and brocade garments; enquiries from more than 20 countries for almost all exhibits were received. HK will also display women's silk and cotton garments at the Sales and Fashion Week of the German women's clothing industry to be held in Dusseldorf during second half of September.

HK/US Trade—Cargo movements between HK and US remained active; imports 4,500 tons and exports 4,000 tons. Government is considering to station a trade representative in US to promote export of HK manufactures.

HK/Malaya Trade—Imports from Singapore and other Malayan ports improved; 3,500 tons last fortnight consisting chiefly of firewood, charcoal, rubber and used tyres. Exports also active totalling 4,000 tons; principal items were foodstuffs and HK manufactured metalware and cotton products. Orders reached here during the period from Singapore and Kuala Lumpur also covered dried chilli, gypsum, pharmaceuticals, winter underwear. There was no order for cement! In spite of her domestic shortage, Peking is sending large consignments of cement to Singapore and Malaya. Competition from Japanese products also intensifying. According to a Japanese vice-consul in Singapore, Japan is now concentrating on selling paper, textiles, building materials and machinery to Malaya. However, the British High Commissioner in Malaya claimed that British firms in Malaya were geared to meet any strong competition that may come from Germany, Japan or any other country. The Commissioner said 97% of all bicycles imported into Malaya last year came from Britain in spite of the strong competition from other bicycle manufacturing countries.

HK/Thailand Trade—Import of rice from Thailand remained heavy, 5,500 tons last fortnight. Bangkok marked down new indents after dealers here had approached Burma and other suppliers for rice following recent price hikes. Import of live hogs curtailed on account of increased freight charges and high death rate during the journey; Thai traders are now considering to ship frozen pork to the local market.

Exports totalled 4,000 tons; about 50% Chinese foodstuffs and light industrial products and 50% HK manufactured cotton textiles, enamelware, knitwear. Demand from Bangkok appeared to be improving but orders for metals, paper, pharmaceuticals and HK manufactures were still limited to small quantities.

HK/Indonesia Trade—Demand from Djakarta, too, was better than last month; there were more orders for garlic, metals, paper, fertiliser, cotton yarn and knitwear but quantities involved still not very substantial. Further improvement difficult because Djakarta still maintains strict restrictions on imports on account of foreign exchange shortage there; Indonesian territories outside Java are only submitting 30% of their foreign exchange earnings to Djakarta. Trade between HK and these territories remained active.

HK/Philippines Trade—Purchases from here covered by old barter licences included beans, structural steels, paper and cotton yarn but quantities involved small. Shipping companies here removed the $12 per ton surcharge on cargo to Manila because congestion on wharves there had been eased.

HK/Korea Trade—Seoul allocated more foreign exchange for various essential supplies. Purchase of paper, pharmaceuticals, chemicals, wheat flour and rayon yarn from here improved but many transactions were still handicapped by low buying offers while short stock here also limited the volume of the turnover. Korean cotton yarn remained popular in the local market but cloth sluggish.

During the first seven months this year Customs authorities in South Korea discovered about US$3.8 million worth of smuggled goods from Japan and HK. Early this month, Seoul announced that smugglers will be liable to imprisonment of up to 10 years or fines worth 10 times the value of import duties required for the commodities involved. An informer providing tips leading to the cracking of a smuggling case will be given a cash award amounting to 50% of the combined value of the contraband and fines under law.

HK/Taiwan Trade—Import of live hogs, tea, citronella oil, pine apple, garlic, starch, ginger, sugar amounted to about 1,200 tons but export of metals and other supplies to Taiwan only 500 tons. Orders reached here from Taipei last fortnight covered only insignificant quantities of teaseed cake, steel plate, paper and chemicals. Authorities there earmarked US$10 million for imports during September and October but most purchases will be made from US and other manufacturing countries.

HK/Laos Trade improved with more orders from Vientiane for metals, paper and cotton textiles; quantities involved however were not impressive. Cargo movements between **HK/Cambodia** slower; rice imports curtailed while exports limited to small lots of metals, paper, cotton yarn and HK manufactured metalware. **North Vietnam** shipped here some rice, taro chips, fruits, cassia, ginger, hog casing, feather, human hair and medicinal herbs but bought nothing from the local market. **HK/South Vietnam** trade was quiet.

HK/Burma Trade—Dealers here booked more rice from Rangoon because Bangkok indents had advanced too much last month. Exports to Burma too improved but the bulk of the tonnage consisted of Chinese staples and light industrial products such as window glass, paper and metalware.

HK/Ceylon Trade—Four vessels left here for Colombo with about 1,000 tons of consignments consisting chiefly of hurricane lanterns, toys, enamelware, camphor wood chests, cotton textiles, rayon products and knitwear—mostly HK manufactures booked last month.

HK/Africa Trade—Imports came chiefly from East and South Africa totalling about 1,000 tons; principal items included groundnut oil, cotton, cottonseed oil, fruits, wooltops, tanning extract, and ivory. Exports to East Africa totalled 1,500 tons consisting mainly of enamelware, firecrackers, matches and knitwear. Exports to West Africa only about 250 tons.

HK/North Borneo Trade—About 1,000 tons of rubber, firewood, coconut oil and teak square arrived from North Borneo. Exports consisted mostly of construction materials including 900 tons of cement.

HK/Australia Trade—1,000 tons of frozen meat, cow hide, wooltops, wheat flour and canned milk reached here from Australia. Export of woodoil, cotton textiles, rattanware, plastic products and metalware amounted to only about 500 tons. Japan's increased shipments of cotton textiles, shirts, rayon piecegoods, fibre yarn and toys to Australia at extremely low prices are adversely affecting HK exports to that market.

HK/India and HK/Pakistan Trade—About 3,000 tons of coal arrived from India; imports of cotton yarn slow. From here, India bought only small quantities of cassia, torch and batteries. Import of cotton yarn from Pakistan slower because Karachi quotations higher than prices on the local market.

China Produce—Oilseeds and beans of SE Asian origin (chiefly Cambodian and Thai products) retained steady local and export demand. China shipped here some animal by-products and vegetable oils but quantities insignificant and indents advanced. Japan traders provided the bulk of the business with interest centred on maize, sesame, aniseed star, gallnut, woodoil and talcum. The market was also kept active by orders from Europe, UK, Canada, Australia, Singapore, Malaya, Indonesia and Burma for popular items such as cassia, groundnut kernel, woodoil, raw silk, walnut meat, rosin, garlic, dried chilli, red bean, feather, bamboo cane, teaseed cake, camphor products, gypsum and talcum. Demand from local pressing mills and food manufacturers covered chiefly oilseeds and beans. Prices were steady.

Metals—Local demand for mild steel round bars and other structural steels improved with intensified building construction work. There were also orders from Thailand, China, Laos, Cambodia, Philippines and Okinawa for this item because heavy stock here kept prices at levels lower than new indents. Galvanized iron pipe too enjoyed strong demand from these countries. China also interested in iron wire rod, mild steel plate, blackplate, tinplate waste waste; Thailand in black pipe, mild steel plate and aluminum sheet; Indonesia in steel wire rope, steel plate, galvanized iron sheet and zinc sheet; Cambodia in iron wire rod; Taiwan in steel plate. Prices firm on high Japanese and European quotations for replenishments. Towards last weekend, scrap iron recovered from recent sluggish trend when several thousand tons were sold in the local market for shipments to Japan.

Paper—Trading improved with more orders from Korea, Thailand, Indonesia, Taiwan, Laos, Cambodia, Philippines for various printing, packing and cigarette paper. Korea, Taiwan and Philippines were chiefly interested in European and American products while Thailand, Indonesia, Laos and Cambodia favoured Chinese and Japanese goods. Dealers here booked some replenishments from Japan but volume small because in spite of the fact that market quotations here for most items were lower than indents buyers still considered prices too high. Trading will remain on a restricted volume unless buying offers are increased.

Pharmaceuticals—Popular items which retained steady demand from Korea, Thailand, Taiwan and other SE Asian countries included sulfonamides, santonin crystal, saccharium lactose, saccharine crystal, aspirin, phenacetin, caffeine alkaloid, amidopyrin, potassium iodide and vitamin B1 powder. Local pharmaceutical industry absorbed various fine chemicals while dispensaries reported steady business in penicillin tablets and injects, dihydrostreptomycin and other patent medicines. Trading volume remained small.

Industrial Chemicals—Demand from Korea and Taiwan improved but there were more enquiries than orders. Prices registered minor fluctuations: caustic soda, sodium bicarbonate, eased because supply from China exceeded demand; sodium sulphite, sodium cyanide, copper sulphate dipped because there was no demand; acetic acid, shellac, calcium carbide gained on advanced cost; sodium bichromate, citric acid, cresylic acid, carbon black, tanning extract, petrolatum, calcium hypochrorite, formalin, zinc chloride, lithopone, rongalite C lumps, ammonium chloride, gum arabic and ammonium bicarbonate steady on better export demand.

Cotton Yarn & Piecegoods—HK cotton yarn very firm; in addition to steady local demand and exports to UK, there were orders from Laos, Cambodia, Thailand, Indonesia and Philippines. Pakistan yarn too enjoyed demand from Thailand but volume of the business handicapped by high indents from Karachi. Korean products retained steady local demand; consumption might improve if adequate supply is available. Japanese cotton yarn quiet but prices firm on increased cost. HK grey sheeting remained firm on steady exports to UK, Africa and other markets; there were also enquiries from Indonesia but most transactions were still under negotiation towards last weekend. HK drill quiet in export; demand from UK weaker than last year because China and Pakistan recently sold substantial quantities of this item to Peking at cut-throat prices. Chinese grey and drill were quiet in the local market; prices steady because supply curtailed recently. Japanese grey steady on orders from Laos and Indonesia and white sheeting firm on demand from local shirt manufacturers.

A new firm was established here recently to handle export of cotton yarn and piecegoods to Indonesia, Malaya and Thailand. Most local mills have neither the facility nor the experience to handle marketing overseas. This new enterprise should therefore be able to promote the export of cotton textiles by taking over the marketing for these factories.

Rice—Bangkok marked down indents for various grades to retain demand from here; prices on the local market therefore returned to normal after recent hikes. Heavy imports from Thailand and other sources further depressed local quotations towards last weekend.

Wheat Flour—Supply still exceeded demand in the local market; consequently, prices for both local products and imported brands remained weak.

Sugar—Exports slowed down; Saigon turned to Indonesia for its supply while Burma preferred to import direct from Taiwan. In the local market, Taiwan granulated fine dipped further forcing Taikoo to mark down its quotations. Brown sugar of Taiwan, Philippine and Indonesian origins steady because stock not heavy and supply curtailed.

Cement—Local and export demand remained very strong but keen competition between Japanese and Chinese brands forced prices down. Japanese brands however are still higher than Chinese products ($108 vs $105 per ton overside) because supply from Canton inadequate and dealers have to procure the bulk of the supply from Japan. Green Island products steady on heavy local consumption; exports slower because traditional markets such as Singapore have turned to China for supply.

Fertilisers—In addition to improved demand from China, local dealers received enquiries from Thailand and Indonesia for Japnaese and European fertilisers. Prices here firmed because supply from Japan restricted; Japanese manufacturers recently got an order from Peking for 200,000 tons of fertilisers.

COMMODITY PRICES ON 31-8-57

CHINA PRODUCE

Aniseed Star—Kwangsi, export quality, £105 per ton c & f Europe; 3rd quality, $75 per picul ex stock; Kwangtung, broken, $63 picul. **Camphor Tablets**—HK: ½-oz tablets, $2.95 per lb; ¼-oz, $3; ⅛-oz, $3.05; 1/16-oz, $3.15 lb. **Cassia**—Lignea, Kwangsi/Kwangtung, 80-lb bale, $135 picul. Broken, 1st grade, $97 picul. **Coir Fibre**—Szechwan, £125 per metric ton cif Japan. **Feather**—Hen feather, dyed, HK, 11d per lb c & f Europe. Duck feather, export quality, NN 85%, 6s 1d per lb. Goose feather, HK, GGS 90%, 7s 10d per lb. **Egg Products**—North China, c & f Europe prices: hen egg yolk, spray process, 6s 1d per lb; whole hen egg, spray, 5s 4½d lb; frozen hen egg yolk, £360 per ton; frozen whole hen egg, £210 per ton; dried albumen, 9s 2d lb. **Gypsum**—Hupeh, white, $15 picul. **Hog Bristle**—Tientsin: No. 55, black, 28s 4d; No. 26, 24s 1d. Hankow: No. 17, black, 23s 4d; No. 5, 9s 10d. Chungking, No. 27, black, 18s 10d. Shanghai: No. 17, black, 14s 2d; No. 5, 9s 1d. All prices per lb c & f Europe. **Menthol Crystal**—HK, $39 per lb. Shanghai, $40. Taiwan, $38. **Peppermint Oil**—HK, $15 lb. Shanghai, $22. Taiwan, $14.50. **Alum**—Chekiang, $330 per metric ton. **Red Arsenic**—Hunan, 99.5%, $90 picul. **China Clay**—HK, £6/10/0d per metric ton c & f Japan. **Graphite**—Hunan, 80/82%, £7/10/0d per m.t. c & f Japan. HK, 75%, US$23 per ton fob HK. **Realgar**—Hunan, export quality, A grade, $68 per picul. **Rosin**—South China: A grade, $100.50 per quintal; C grade, $97 quintal; N grade, £74/10/0d per m.t. c & f Japan. **Sesame**—Africa, yellowish white, $83 picul. Thailand, black, old stock, $76. Cambodia, black, 3-day forward, $64; brown, $61. Indonesia, black, $60. **Aniseed Oil**—Kwangsi, in drum, $1,284 per picul. North Vietnam, $900. **Camphor Oil**—Taiwan, in drum, $138 picul. Kwangsi, $145. **Cassia Oil**—Kwangtung/Kwangsi, 80/85%, $1,327 picul. North Vietnam, forward, $1,300. **Citronella Oil**—Hainan, 6s 4d per lb c & f France. Taiwan, October forward, US$0.885 per lb c & f US. **Woodoil**—Refined, China, September forward: ex-Kowloon Railway station, $2,600 per long ton; c & f Japan, £172 per m.t.; c & f Australia, £178 per long ton. **Bitter Almond**—Tientsin, red membrane, new stock, $227 picul. India, $170. **Gallnut**—Korea, September forward, $400 picul. **Dried Ginger**—Kwangsi, new stock, $145 picul. **Maize**—Cambodia, yellow, $22.60 picul. Thailand, yellow, $22.50. North Vietnam, white, $22. **Taro Chip**—Szechwan, 1956 crop, £120 per metric ton c & f Japan. **Groundnut Oil**—Africa, 1st quality, $173 picul. China (Tientsin), $158. Cambodia, $152. Indonesia, $145. Thailand, $174. HK, lower quality, $145. **Soyabean Oil**—Japan, September forward, $139 picul; spot, $140. **Black Bean**—Kwangsi, $32.50 picul. **Broad Bean**—North China, $45 picul. **Green Pea**—Thailand, large, $81 picul. Szechwan, $56.50. **Red Bean**—South Vietnam, $34 picul. **Soya Bean**—Dairen, $48.50 picul. Shanghai, $60. Cambodia, new, $50. Honan, $42. **Green Bean**—Honan, $44.50 picul. **String Bean**—Burma, large, $44.50 picul. **Groundnut** (shelled)—Thailand, new, selected, $90 picul. Indonesia, medium, $90. Africa, medium, new, September forward, $75; above average size, $85.50. Tsingtao, unsorted, $112.

METALS

Mild Steel Angle Bars—Europe: 3/16" x 1¾" x 1¾", $45 picul; ⅜" x 3" x 3", $46; ½" x 4" x 4", $47. **M.S. Flat Bars**—Europe: ⅛" x 1", $50; ⅜" x 2½" to 4", $47.50. HK: ⅛" x ½" to 1" and ¼" x ½" to 2", all $46. **M.S. Round Bars**—Europe, 40' length: ⅜" dia, $46; ½", $44; ⅞", $39; 1", $39.50. HK: ¼" to 1" dia, $45. **M.S. Square Bars**—Europe, 20' to 22' length: ⅝", $53; ¾" to 1½", $52. **M.S. Plate**—Japan, 4' x 8': 1/16", $53 picul; 3/16", $59; ¼", $60; ⅜", $63; 5/8", $67. **Steel Wire Rope**—HK, 24 x 6 x 720': 1", $1.80 per lb; 1¾", $1.30; 2", $1.20; 2½", $1.10; 3", $1.05. UK, 24 x 6 x 7: 1½", $1.75; 1¾", $1.70; 2", $1.30. **Tinplate Waste Waste**—Coked: UK, 18" x 24", $99 per 200-lb case. Electrolytic: US, 18" x 24", $84 per 200 lbs; UK, $81 (both for 1 ton skid). Misprint: UK, 18" x 24" and larger, $45 per picul. **Blackplate Waste Waste**—UK, 18" x 24" and larger, G29/G33, $40 picul. **G.I. Sheets**—Japan, 3' x 7': USSG 26, 55c lb; USSG 32, $5.80 per pc. **Aluminum Sheets**—Japan, 99.5% alloy, 4' x 8': G20, $2.20 lb; G22, $2.20; G24, $2.30. UK, 99.5%, rolled, 2' width: G22, $2.25 lb; G24, $2.30. **Brass Sheets**—UK, rolled, 12" width, 9 to 12 oz per sq ft, $268 per picul. HK, 10 to 11 oz per sq ft, $235. **Copper Sheets**—Germany, 4' x 8', 1/32", $2.80 lb. **Zinc Sheets**—Europe, 3' x 8', G9 and G10, $142 picul. **Black Pipe**—Europe: 1½" dia, $1.30 per ft; 2", $1.30. **G.I. Pipe**—Europe: ¾" dia, 52c per ft; 1", 73c; 1½", $1.30; 2", $1.60; 3", $2.80; 4", $4.20. **Steel Box Strapping**—Japan: blue annealed, 5/8" G27, 57c lb; cold rolled, black, 3/4", G20, $57 picul. **Scraps**—Brass scraps salvaged from engine parts, large and medium size, $190 picul. Wrought iron scraps, 1st choice, $230 per ton. Iron plate, ship salvage, 3/8" and over, $34 picul.

PAPER

Newsprint (in reel)—50/52 gr, 31", prices per lb: US, 47c; Canada, 46c; China, 46c; Japan, 45c; Norway, 46c; Austria, 45c to 46c; Finland, 47c. **Newsprint** (in ream)—31" x 43", prices per ream: Europe, 50/52 gr, 50-lb ream, $25; Japan, 50 gr, 48-lb ream, $23.50; China, 50 gr, 48/50-lb ream, $25.50. **Art Printing**—31" x 43", one-side coated, 90 gr, 85-lb ream, prices per ream: UK, $97; Italy, $97; Holland, $91; Japan, $76. Two-side coated: UK, 95 gr, 88-lb ream, $102 ream; Holland, ordinary quality, $1.03 per lb; Japan, ordinary, $1 lb. **Bond**—22" x 34", 60 gr, 32-lb ream, prices per ream: Norway, with water mark and brand name, $31; Sweden, with w/m and b/n, $31.50; Central Europe, with w/m and b/n, $27; Japan with w/m and b/n, $24.50; Europe, without w/m and b/n, $25; Japan without w/m, $23. **Woodfree Printing**—31" x 43", prices per lb: Europe, 60 gr and over, 57/60-lb ream, 82c; Japan, 60/100 gr, 57/100-lb ream, 70c; China, 60/90-lb ream, 68c. **Manifold**—22" x 34", white, 30 gr, 16-lb ream, prices per ream: Europe, $16 to $17; China, $11.50. **Tissue**—25" x 44", 17 gr, 13½-lb ream, prices per ream: Austria, $16; Norway, $15.50. **Cigarette Paper**—In ream, 20" x 30", 24 gr, prices per ream: UK, $13.50; Austria, $15; Japan, $14.50. In bobbin, 29 mm x 6,000 m, prices per bobbin: US brands, $13 to $20; France, $11. **Flint**—20" x 30", prices per ream: Germany, 60/65 gr, 28-lb ream, $33.50; China, 31-lb ream, $34. **Glassine**—30" x 40", 30 gr, 26-lb ream, prices per ream: France, Germany or Austria, $35.50; Holland or Italy, $34; Japan, $33.50. **Cellophane**—36" x 39", 30 gr, prices per ream: UK, $76; Japan, $73; Italy, $74; France, $73. **Duplex Board**—31" x 43", prices per ream: Sweden, 250 gr, 240-lb ream, $146 and 230 gr, 220-lb ream, $135; Norway, 250 gr, 240-lb ream, $147; Czechoslovakia, 230 gr, 220-lb ream, $125. **M.G. Pure White Sulphite**—35" x 47", 34 gr, 40-lb ream, prices per ream: Sweden, $27.80; Central Europe, $28.20. **M.G. White Sulphite**—35" x 47", 40 gr, 47-lb ream, prices per ream: Austria, $31.50; Czech or Germany, $30.50. **M.G. Ribbed Imitation Kraft**—35" x 47": Europe, 40 gr, 47-lb ream, $30.50 ream; Europe, 60/150 gr, 70/160-lb ream, 69c lb. **M.G. Ribbed Kraft**—China, 48-lb ream, 35" x 47", $24.50 ream.

INDUSTRIAL CHEMICALS

Acetic Acid—90/100%, glacial: Germany, 88c lb; Italy, 86c. **Citric Acid**—UK, crystal, $2.20 lb. **Cresylic Acid**—UK, 75c lb. **Bicarbonate of Ammonia**—UK, $707 per ton. Germany, $620. Poland, $600. **Bicarbonate of Soda**—China, $22 per 50-kilo bag. UK, $46 per 100-kilo bag. **Bleaching Powder**—UK, 35%, $37.20 per 50-kilo drum. **Caustic Soda**—China, $114 per 200-kilo drum. UK, $220 per 340-kilo drum. **Formalin**—UK, 40% volume, 37½c lb. **Gum Arabic**—Sudan, $1.05 lb. **Gum Copal**—Malaya, No. 1, $218 picul. **Gum Damar**—Malaya, No. 1, $305 picul. **Hyposulphite of Soda**—UK, 33c lb. **Lithopone**—Italy, 30%, 35c lb. **Red Phosphorus**—Canada, $300 per case of 10 11-lb tins. **Lemon Shellac**—India, No. 1, $238 picul. **Soda Ash**—China, $28 per 80-kilo bag. UK, dense, $38 per 100-kilo bag. UK, light, $30.50 per 70-kilo bag. **Talcum Powder**—China, $240 per ton. **Tanning Extract**—Mimosa, 46c lb. Quebracho, 71c. **Zinc Oxide**—China, 70c lb. Germany, 77c. South Africa, 75c.

PHARMACEUTICALS

Penicillin Oral Tablets—UK, 1960, $1 per carton of 12 tablets. US, 1962, $1.75 per bot of 12's and $2.15 per carton of 12's. Belgium, 90c per box of 12's. All tablets 50,000 units each. **Penicillin Procaine G Injections**—UK, 300,000 units per cc in oil, 1960, $1.35 per vial of 10 cc. US, 1961, $2.55. France, $1.60. **Dihydrostreptomycin**—UK, 1959, 68c per 1-gm vial. Italy, 1961, 65c. Canada, 1961, 95c. Belgium, 68c. **Sulfathiazole Powder**—Italy, $10.40 lb. UK, $11.50. Germany, $11.50. **Quinine Bisulphate Tablets**—Holland, $3.20 per bottle of 500 tablets. **Isoniazide Tablets**—UK, $4.20 per bottle of 100 100-mg tablets. Switzerland, $2.60 per bottle of 100's x 50 mg. **Aspirin Powder**—UK, $3.80 lb. Germany, $3.35 lb. **Amidopyrin**—France, forward, $19 lb. Germany, $19. **Antipyrin**—Germany, $9.50 lb. **Phenacetin**—Germany, $5.10 lb. UK, $5.10. **Potassium Iodide**—UK, $9.60 lb. **Santonin**—UK, $11.30 oz. **Vitamin B1 Powder**—Germany, $220 per kilo-tin.

COTTON YARN

HK Brands—10 counts, $880 to $960 bale. 12's, $900 to $980 bale. 20's, $980 to $1,120. 30's, $1,400 to $1,410. 32's, $1,380 to $1,425. 40's, $1,500 to $1,790. 42's, $1,650 to $1,680. **Japanese Brands**—32's, $1,330 to $1,370. 40's, $1,430 to $1,480. 42's, $1,540 to $1,580. **Indian Brands**—10's, $840. 20's, $965. 32's, $1,250. **Pakistan Brands**—10's, $825 to $865. 20's, $970 to $1,015. 21's, $980 to $1,035. 32's, $1,170 to $1,265. **Korean Brands**—20's, $995 to $1,000. 32's, $1,260.

COTTON PIECE GOODS

Grey Sheeting—Chinese Brands: 63 x 64, 36" x 40 yds, $35.20 ps; 72 x 69, 38" x 40½ yds, $30.20; 60 x 60, 36" x 40 yds, $33. HK Brands: 60 x 56, 36" x 40 yds, forward, $36.50 to $37.50 pc; 60 x 60, $37.50. Indian Brands: 44 x 48, 35" x 40 yds, $25 pc; 40 x 36, 35" x 40 yds, $22.50. Japanese Brands: 72 x 69, 38" x 40½ yds, $30.40. **Grey Jeans**—Chinese Brands: $28.40. HK Brands: 84 x 48, 30" x 40 yds, $28.50. **White Cloth**—Japan, No. 16000, $46 pc; No. 10000, $44.70; No. 17000, $44. **White Shirting**—Japanese Poplin, 36", $1.20 to $1.53 per yard.

RICE

White Rice 100% Whole—Thailand: old crop, 1st, $63.50 picul; new, 1st, $62.30. **White Rice**—Thailand: special 3%, new, $57.50; A 5%, new, $56.50; B 10%, new, $55.30. Cambodia: 1st, $55.30; 2nd, $51. North Vietnam, 1st, $49.20. Canton: 1st, $55.30; 2nd, $52; Sunhing, $49; Chaimei, 1st, $59.50; Seemew, new, 1st, $57.10. Burma, old, small quantity packing, $40.80. **Broken Rice**—Thailand: B-1 special, old, $44; C-1 special, old, $35. North Vietnam, $34.30.

WHEAT FLOUR

HK Brands—$11.80 to $17.50 per 50-lb bag; $33.30 per 150-lb bag. **Australian Brands**—$13.50 per 50-lb bag; $38.50 per 150-lb bag. **US Brands**—$12.20 to $12.80 per 50-lb bag. **Canadian Brands**—$16.80 to $17 per 50-lb bag; $35.40 to $35.80 per 100-lb bag.

SUGAR

Granulated Sugar—Taiwan: refined No. 24, $52.30 picul; No. 18, $50. HK, fine, $54. Philippines, brown, $50. Indonesia, brown, $51.50. Australia, brown, $50.50. Japan, fine, $54. **Candy Sugar**—HK, 2nd quality, $62. **Slab Sugar** (brown)—HK, 1st, $50. **Malt Sugar**—Thailand, $36.50. **Green Sugar**—Taiwan: 1st, $35.50; 2nd, $35. Philippines, 2nd, $31.

CEMENT

Green Island Products—Emeralcrete, $7.80 per 112-lb bag. Emerald, $6.50 per 112-lb bag and $5.80 per 100-lb bag. Snowcrete white cement, $72.50 per 375-lb drum and $16 per 1-cwt bag. **Japanese Brands**—$5.70 per 100-lb bag of ordinary cement and $14.30 per 1-cwt bag of white cement.

THE TRANSPORT EQUIPMENT INDUSTRY IN HONGKONG

(Continued from Page 376)

1952, by the right-wing workers; its membership is 325 persons. Apart from these two unions, there is a Welfare Society organized and financed by the Company.

3. Repair of Motor Vehicles and Cycles

With increased traffic here this industry is rapidly developing. There are now six well-equipped garages in Hongkong and Kowloon which are operated by motor vehicle agencies. Apart from these, a fairly great number of smaller garages are doing profitable business in overhauling. Most equipment was imported from the United Kingdom. There are also two bus workshops, one attached to the China Motor Bus Company and the other to the Kowloon Bus Cmpany, solely engaged in the overhauling and body-building of their fleets of buses.

The workers belong to two trade unions—(1) Hongkong and Kowloon Motor Car Cleaning Service Workers' General Union, established in 1948 with a membership of 91 persons. (2) Kowloon Motor Bus Workers' General Union, established in 1950 with a membership of 330 persons.

4. Aircraft Repair

Hongkong Airport at Kaitak has grown during the past thirty years from a grass area of 400 by 300 yards to an area of 398 acres. The airport contains two paved runways and a large paved terminal area. During the period 1924-1941, more land was acquired to cater for the increasing operational requirements of aircraft and by the outbreak of the Second World War, the area of the airport was four times that of 1924. During the Japanese occupation, the airport was further enlarged with forced labour of prisoners of war. At the cessation of war the airport was a heap of war devastated material but the Hongkong Government soon rehabilitated the area to receive aircraft of the major airlines of the world. In 1949 the main paved runway was extended by a further 200 yards, which in later years proved to be the maximum at which the present airport could be expanded to meet the more stringent operational requirements of the postwar era of transport aircraft.

Hongkong is now an important centre for the maintenance, repair, and overhaul of aircraft of all types operating in this part of the world. The Hongkong Aircraft Engineering Company Ltd. has fully equipped workshops and a staff of qualified engineers and mechanics, capable of handling repair and maintenance work of all descriptions. The Far East Flying Training School maintains facilities for the repair of small aircraft in addition to the training of engineers and flying crews. The workers belong to the Technical Workers' Free Union which has a membership of 385 persons.

Hongkong has reached its important position largely due to the fact that it possesses a first-class port with excellent facilities. Recently, Hongkong developed its air transport communications in common with other parts of the Far East and it is now regarded as one of the important stops of major air routes. The new facilities now planned for aviation in Hongkong will increase its prestige and importance. The action of the Hongkong Government in approving the expensive new airport project is evidence of its faith in aviation and the desire of the people of Hongkong to vie with other international airports in the Orient. Government has shown its determination to ensure that the Colony is keeping pace with other airports in the world to cater for newly designed gigantic jet aircraft so that it will not lose its place in the forefront on the world major air routes.

Hongkong with its fine natural harbour and its favourable position has throughout the 115 years of its history played a major part in the trade between East and West. The local transport industry is further aided by the stability amidst the frequent political upheavals around it, the strength of its banking and insurance houses and the resourcefulness and enterprise of its merchants. It is certain that this industry has bright prospects.

MANUFACTURING OF TRANSPORT EQUIPMENT

	Number of factories		Number of employees	
	1953	1954	1953	1954
Shipbuilding and repairing	20	20	9,010	6,927
Railway and tram construction and repairing:—				
Tramways	1	1	1,622	1,541
Repair of motor vehicles and cycles:—				
Motor buses	2	2	830	859
Lorries and cars	5	9	273	398
Motor bodies	2	2	60	34
Aircraft repair and overhauling	1	1	502	655
Total	31	35	12,297	10,414

WAGES, HOURS OF WORK AND OVERTIME RATES FOR MANUAL WORKERS

		One month (Monthly basis)	
Industry	Occupation	Min.	Max.
		$	$
(i) Motor vehicle repair and maintenance.	Apprentice	70	188
	Cleaner	80	130
	Improver	120	170
	Fitter	200	390
	Electrician	225	306
	Welder	255	255
	Coppersmith	265	305
	Upholsterer	360	360
		Daily Wages	
(ii) Shipyard shipbuilding and repair.	Unskilled, semi-skilled	4.00	6.70
	Skilled:—		
	Fitter, coppersmith, tinsmith, welder	7.70	9.30

Standard hours per day: 8; per month: 208.

Standard rate for overtime is 150% of basic wage, 200% on Sunday and other holidays.